MONTHLY REVIEW

VOL. 50
11

APRIL 1999

$3.00/£2.00

AN INDEPENDENT SOCIALIST MAGAZINE

Political Reawakening in Zimbabwe
Patrick Bond

Mandela's Democracy
Andrew Nash

Contradictions in the Universalization of Capitalism
John Bellamy Foster

Noam Chomsky and the Struggle Against Neoliberalism
Robert W. McChesney

Churchill, Stalin, and the Greek Revolution
John Newsinger

Books:
The Evolution of Law by Howard Sherman
Lucky Canada by Lukin Robinson

1949-1999 50 YEARS

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

MONTHLY REVIEW

VOLUME 50 NUMBER 11 APRIL 1999

Editors:
Paul M. Sweezy
Harry Magdoff
Ellen Meiksins Wood
Leo Huberman (1903-1968)

W.H. Locke Anderson
Associate Editor

Vicki Larson
Assistant Editor

Martin Paddio
Circulation Manager

REVIEW OF THE MONTH:
POLITICAL REAWAKENING IN ZIMBABWE
by Patrick Bond 1

MANDELA'S DEMOCRACY
by Andrew Nash 18

CONTRADICTIONS IN THE
UNIVERSALIZATION OF CAPITALISM
by John Bellamy Foster 29

NOAM CHOMSKY
AND THE STRUGGLE AGAINST NEOLIBERALISM
by Robert W. McChesney 40

CHURCHILL, STALIN, AND THE GREEK REVOLUTION
by John Newsinger 48

BOOKS

The Evolution of Law
by Howard Sherman 55

Different from the United States: Lucky Canada
by Lukin Robinson 58

MONTHLY REVIEW (ISSN 0027 0520) is a publication of Monthly Review Foundation, a non-profit institution. It is published monthly except July and August, when bimonthly, and copyright © 1999, by Monthly Review. Periodicals postage paid at New York, NY and additional mailing offices. POSTMASTER: Send all address changes (Form 3579) to Monthly Review Foundation, 122 West 27th Street, New York, NY 10001. EDITORIAL AND BUSINESS: 122 West 27th Street, New York, NY 10001. Telephone: (212) 691-2555. Fax: (212) 727-3676 Email: mreview@igc.apc.org. Unsolicited manuscripts will not be returned unless accompanied by a stamped, self-addressed envelope. *MR* is indexed in the PAIS Bulletin, Historical Abstracts, America: History and Life, Political Science Abstracts, and the Alternative Press Index, P.O. Box 7729, Baltimore, MD 21218, tel.: (301) 243-2471. NEWSSTAND DISTRIBUTION: B.De Boer, Inc., 113 E. Centre Street, Nutley, NJ 07110; Armadillo & Co., 5795 W. Washington Boulevard, Culver City, CA 90232; Small Changes, 3443 Twelfth Avenue West, Seattle, WA 98119; Central Books, 99 Wallis Road, London, E9 5LN, England. SUBSCRIPTION PRICE: U.S.: One year $29, students and senior citizens $24; Foreign $37; students and senior citizens $28. Libraries and Institutions: U.S. $48; Foreign $48. Additional Postage: First Class (U.S. $15); Airmail: Foreign and Canada $20.

NOTES FROM THE EDITORS

What a fuss people made about the recent Olympics scandal. You would think the existence of bribery and corruption in the sporting world came as a great revelation, and that people had reason to expect the Olympic games to be immune to practices that are widespread not only in sports but in other commercial enterprises on this global scale.

But there's still something interesting to talk about here—not so much about the specific case of the Olympics scandal but about the whole idea of corruption. There is something interesting about the moral indignation we've been hearing. For that matter, the very notion of corruption is a curious one, really. What does it actually mean?

(Continued on inside back cover)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

POLITICAL REAWAKENING IN ZIMBABWE

WRIGHT STATE UNIVERSITY
APR 15 1999
DUNBAR LIBRARY

by PATRICK BOND

In Zimbabwe, is a post-nationalist politics propelled by progressive currents finally on the horizon? Has fatigue associated with the ruling Zimbabwe African National Union's (ZANU's) malgovernance and economic mistakes finally reached a breaking point? If so, do these developments reflect a general dynamic in the broader social struggle against the globalized, neoliberal form international capitalism now takes? Will a new labor party emerge as the organizational basis for popular aspirations?

Since 1996, a fusillade of optimistic moments in the country's biggest cities (Harare, Bulawayo and Mutare), and in disparate rural sites of protest, have signalled that poor and working people are poised for a period of mass democratic struggle. It is paradoxical, perhaps, how far ZANU has fallen from popular grace, for this strategic southern African nation's independence was, of course, greeted as a major breakthrough against apartheid and imperialism (in 1980). But its subsequent record is one of economic decline and entrenched inequality, save for some health and education programs and patronage-based petit-bourgeoisification (via the 1980s Africanization and expansion of an already top-heavy colonial state apparatus). Today, however, Zimbabwe is witnessing a forthright contestation of politics and economics from below. But is the conjuncture potentially—and uniquely for Africa—both post-nationalist and post-neoliberal?

President Robert Mugabe, after all, has hunkered down in an extremely defensive mode, replete with the fierce tools of repression he inherited from white Rhodesia (supplemented during the early 1990s by U.S. military cooperation) and his own brand of opposition-bashing, in which radical rhetoric (regular, paranoid accusations of

Patrick Bond teaches at the University of the Witwatersrand Graduate School of Public and Development Management in Johannesburg and is the author of *Uneven Zimbabwe: A Study of Finance, Development and Underdevelopment* (Trenton: Africa World Press, 1998).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

counterrevolution, and even a promise in late 1998 to resurrect "socialism") features but no longer confuses quite so much. A 1998 year-end editorial in the liberal *Zimbabwe Independent* put it simply: "Thankfully, nobody believes this nonsense anymore."

In the context of highly-centralized political power with a deeply divided ruling party, the current opening for the left may only be sustained if the balance of forces shifts more decisively in the months leading to the February 2000 general election. Such a breakthrough would reflect both the international and domestic contradictions of financial-speculative-commercial capital and, subjectively, the maturing social comprehension of the people of Zimbabwe, who recognize the opportunity to claim a different trajectory for development.

Central to the social critique emerging now is the fallout from the touted 1990s Economic Structural Adjustment Program (ESAP), overlaid with demands for good government. Designed in 1990, in large part by the World Bank, ESAP was supposed to quickly deregulate and indebt an economy seen as overprotected and inefficient. Economic disaster has characterized most of the period since 1991, as all ESAP's targets for growth and development were missed by huge margins, in spite of ZANU's adherence to the program. The failure of export-led growth and liberalization, according to the Washington Consensus, was reflected in Zimbabwe's mid-1997 debut in the Swiss-based World Economic Forum's Global Competitiveness Report at fifty-second out of fifty-five countries.

But social indicators paint an even more pessimistic picture. In 1995, at least one-third of Zimbabwe's twelve million people were unable to afford a basic food basket (60 percent of average household expenditure), shelter (another 25 percent), minimal clothing, education, health care, and transport. The top 10 percent of Zimbabweans consume (a conservatively estimated) 34 percent of all goods and services, compared to the bottom decile's 3 percent, putting the country in the same league as Brazil, South Africa, and Guatemala, in terms of unequal distribution of wealth. Unemployment has soared in recent years, with mass retrenchments and joblessness for hundreds of thousands of high school graduates during the structural adjustment era. Land hunger grows, as oft-repeated redistribution promises fall away or are hijacked by the well-connected. Matters have deteriorated significantly since late 1997, with an estimated 60 percent of the population now below the poverty line.

Zimbabwe has also suffered a decisive reversal of the few positive trends in living standards accomplished during the 1980s. In that decade, the country witnessed a drop in infant mortality (from 86 to 49 deaths per 1,000 live births), increases in the immunization rate (from 25 percent to 80 percent) and life expectancy (from 56 to 62 years), and the doubling of primary school enrollment. Certainly the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

AIDS pandemic—nearly one-quarter of adults are HIV-positive—is to blame for much of the health crisis but, since the early 1980s, so are cuts in health spending and increased cost-recovery for patients. Worsening crime statistics are also revealing. As ESAP was introduced (during the period 1989-1993), the number of reported house or car break-ins soared from 43,274 to 65,392 (up 51 percent), incidents of stock theft doubled from 6,765 to 13,776 (105 percent), and robbery also doubled, from 5,842 to 11,564 cases (98 percent). After ratcheting up, crime statistics stabilized, but increased again in 1998.

This article makes the case that a potent cocktail of dashed hopes is now, finally, evoking a new consciousness and opening up new options for social resistance. These hopes were crushed by the interlocking causes of social desperation (since the early 1990s), ruling-party political degeneracy (since the early 1980s) and a classical capitalist crisis (dating back to the mid-1970s, but most severe since late 1997). To support this claim, I provide an overview of core structural factors throughout Zimbabwe's history that parallel today's turmoil. Over a period of decades, the political choices of the white ruling elite (during economic downturns) prepared the terrain for important changes in social structure and accumulation strategies. We may now be at a similar point, because the socio-economic distortions that have haunted Zimbabwean rulers in the past two decades can be traced, at a superficial level, to both an exhausted post-Independence nationalist project and the neoliberal disaster and, at a deeper level, to the limits of semi-peripheral, uneven capitalist development.

Something different is needed, but what? Given the unfavorable balance of forces, perhaps a resurrection of previous technical solutions would help. Historically, such solutions were invoked by white bureaucrats and entailed the suppression of financial-speculative accumulation, and a reorientation from exports of raw materials into glutted world markets, toward better-balanced systems of locally manufactured production aimed at domestic consumption. This time, however (for the first time), they should place basic developmental needs at the core of the economic strategy.

Neoliberalism is untenable everywhere, yet current trends in Zimbabwe remain ambiguous, as we see when we consider political processes that have, over the past couple of years, escalated the socio-economic struggle to new heights. In the process, a measure of confidence on the part of Zimbabwe's oppressed classes has been restored, and with it, a louder rumble of grassroots activity. But observers must caution against overestimating the political opportunity. Like many places, Zimbabwe demonstrates the multifaceted, often contradictory, way in which political resistance to global and local neoliberalism is now unfolding.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A Legacy of Uneven Development

Ninety years of colonial development and underdevelopment in what was known as Southern Rhodesia (1890-1965), then Rhodesia (1965-1979), were interrupted regularly by capitalist crises and intensified uneven development. Excessive capital-intensive investment during the 1890s, 1920s, 1950s, and 1970s could not be sustained. Profit rates dropped precipitously, followed by an upsurge of speculative activity. These intervals generated such clear flashpoints, often in the form of financial upheavals followed by changes in both development strategy and the ruling party, that we must consider their political lessons for late 1990s progressive strategies and tactics.

(Far greater social stability characterized Zimbabwe prior to settler-colonial capitalism. Before 1890, various tributary societies and states prospered, including an empire whose sixteenth-century "Great Zimbabwe" fortress and city, with an estimated population of 20,000 workers, threw up artifacts suggesting trade as far afield as some Islamic societies and even China. According to Arnold Sibanda of the University of Zimbabwe, by the late nineteenth century the dispersed Shona peoples and—in the southeastern part of what would become Zimbabwe—the strong Ndebele state together had established a distinctive petty commodity mode of production, in part through the influence of Portuguese merchants.)

After the initial large-scale settler invasion (the 1890 Pioneer Column from South Africa), financial capital from London flowed into Cecil Rhodes' British South African Company (which had been granted occupation and governance rights by the Queen, following an unfair deal with a local African leader) and into other exploration companies anxious for a share of speculative land and mining profits. Oxford historian Ian Phimister contends that this period's increasing geopolitical turbulence (illustrated by the Scramble for Africa, a sectioning of the continent that took place at a Berlin negotiating table in 1885) emanated from "capitalism's uneven development during the last third of the nineteenth century, particularly the City of London's crucial role in mediating the development of a world economic system."

During the mid-1890s, the first Ndebele and Shona uprisings were crushed. Through brutal means like land expropriation, taxes, and debt peonage, the colonists began forcing African peasants off their land. Those who remained, especially women, were charged with the systematic unpaid reproduction of an emerging workforce, by caring for children and youth, nursing sick workers, and taking care of retired workers. Elsewhere, such costs were being built into the wage-bill or social wage (state schools, health services, and pensions), but in colonial Rhodesia, the agro-mineral economy gained a low-cost, largely migrant, unskilled proletariat at an extremely low price.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

This initial basis for racist capitalist superexploitation was cemented when the new colony's financial bubble burst in 1898. In contrast to the increasing investment that characterized the Johannesburg gold complex (Rhodes' model for his colony to the north), the British South Africa Company's mining-finance road to riches had now disappeared. Given the large investments sunk in land and telegraph development, the speculative crash required a shift toward a more permanent, inwardly oriented economic approach that built the colony more steadily, with less reliance on gold extraction and more on Rhodesia's class, race, and gender apartheid.

Yet, a quarter century later, a tendency toward capitalist crisis emerged once again. The next interval of overinvestment, crisis of profitability, and speculative crash occurred from 1923, shortly after Britain granted the white settlers a limited form of self-government. Agricultural overproduction reached untenable levels by 1928, and the colony suffered a deep, dramatic economic downturn that was initially exacerbated by the onset of global crisis and lasted until 1931. In 1933, the young state came into its own as a vehicle for white populism, after an election pitted lower-class settlers (family farmers, low-level management, shopkeepers, artisans, some civil servants, and even white workers) against local elites linked to British capital. With the populists victorious, public works and state investment burgeoned. The manufacturing sector matured rapidly, thanks to the Great Depression and a wartime lull in international trade and investment finance, giving an infant local bourgeoisie space to grow. Formal apartheid-type social control was legislated in most areas of urban black workplace and residential life, and black trade unionism and political initiatives were squashed. Although the colony's gold exports were an important safety net, it was again through a turn inward, to meeting local (albeit racially circumscribed) needs, that economic recovery occurred rapidly.

After the Second World War, with the economy still growing well, international financial capital (in the form of the World Bank and many London and New York commercial and investment banks) flowed readily into Southern Rhodesia. But the regional economy of Central Africa overheated, due to excessive, capital-intensive investment and building speculation during the late 1950s, and then cooled too rapidly, in the wake of local financial collapses and a copper market crash that ruined the economy of neighboring Northern Rhodesia (Zambia). Unprecedented state intervention in the colony's financial system was required, preparing the ground for state-capitalist planning.

Angry at foreign financiers, fearing winds of change (i.e., British decolonization of Africa), and nervous about the African nationalist mobilization that was currently underway, the white electorate's proto-fascist turn, in 1962, saw the ascent of a new Rhodesian Front government headed by Ian Smith. After imposing much tougher exchange

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

controls in 1963, the government responded to pressure for racial reform by declaring an illegal "Unilateral Declaration of Independence" in November 1965. International sanctions followed, but with the state intervening extensively through central planning and strategic investments, rapid rejigging of production to import-substituting industry, support from South Africa and Portuguese-ruled Mozambique, a default on Rhodesia's foreign debt, and (especially) prohibitions on capital outflow, one of the world's fastest growth rates (9.5 percent annually, from 1966-1974) resulted.

But by the mid-1970s, there was once again too much investment in manufacturing, relative to the size of the local market (given that black workers still earned terribly low wages and a peak settler population of only 250,000 existed). Crisis conditions again emerged and, a quarter century later, the economy is still characterized in part by old machinery, excess capacity, and monopolistic control of local markets.

If white capital suffered throughout from uneven development and periodic crisis tendencies, so did black resistance. The only time black workers openly revolted was the 1948 general strike. (However, as Phimister, Brian Raftopoulos, and Lloyd Sachikonye have shown in their recent book *Keep on Knocking*, there were many other, more subtle modes of resistance prior to Independence.) Particularly during the 1960s and 1970s, leaders of emergent trade unions were detained by the repressive Rhodesian security apparatus. The black petit-bourgeoisie was systematically stifled, usually through classical colonial racial constraints, restrictions on commercial activities, and unworkable informal financial markets. By the early 1960s, the key black professional elites (lawyers, doctors, teachers, and intellectuals, who often led African nationalist parties) of both the Zimbabwe African Peoples Union (ZAPU) and ZANU (a more militant breakaway, which came to be dominated by Shona-speakers and hence gained an ethnic identity) saw no alternatives but radicalism and armed struggle. Within a decade, their peasant-based guerrilla war began having an impact, and white fears mounted as Marxist-Leninist rhetoric drew nearer. (ZANU was supported by China, and ZAPU by the USSR.) The two Patriotic Front liberation movements were countered by the Rhodesian army's intensified violence, which was primarily responsible for the war's 40,000 civilian deaths during the 1970s.

After South Africa withdrew explicit military support to Smith in 1976 (as Henry Kissinger attempted to amend the region's geopolitics slightly), half the white population fled the country. Economic depression cut production by 40 percent between 1976 and 1979. The Rhodesians finally surrendered at the 1979 Lancaster House peace talks in London, yet ZANU-ZAPU's indecisive military victory, as well as nationalist infighting leading up to negotiations, left various kinds of residual economic and political power in white hands. White

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Rhodesians and the West were stunned at how much black voter support Mugabe garnered in the April 1980 election (62 percent, with ZAPU getting 24 percent, and the collaborating black party just 8 percent, with turnout at 95 percent). Similarly, black voters were surprised by how immediately Mugabe was willing to compromise with white-owned capital in the name of racial reconciliation.

ZANU's Rule

Politically, the state and the ruling ZANU party became indistinguishable, as a lower-middle class was built quickly through the bureaucracy, and corruption and patronage systems emerged parallel to the growth of a comprador faction. As Mugabe described the latter group in 1989: "There exists among the membership of ... ZANU a minority, but very powerful bourgeois group which champions the cause of international finance and national private capital, whose interests thus stand opposed to the development and growth of a socialist and egalitarian society in Zimbabwe."

But Mugabe had set the terms and conditions of such behavior, according to one leading U.S. banker quoted in the early 1980s, who said, "The management of the more sophisticated large companies, i.e., TA Holdings, Lonrho, and Anglo American, seem to be impressed by and satisfied with Mugabe's management and the increased level of understanding in government of commercial considerations ... I feel it is a political pattern that Mugabe give radical, anti-business speeches before government makes major pro-business decisions or announcements." A left-wing ZANU member of parliament, Lazarus Nzareybani, concluded in 1989, "The socialist agenda has been adjourned indefinitely. You don't talk about socialism in a party that is led by people who own large tracts of land and employ a lot of cheap labor. When the freedom fighters were fighting in the bush they were fighting not to disturb the system but to dismantle it. And what are we seeing now? Leaders are busy implementing those things which we were fighting against."

Meanwhile, ethnic dominance of the state by the Shona generated resentment by minority Ndebeles, and the army's ruthless containment of a brief armed uprising amongst a few dozen Ndebele-speaking people included the massacre of an estimated 5,000 civilians during the mid-1980s. (Mugabe and most ZANU leaders are Shona.) Ethnic tensions simmered, but a 1987 unity pact between the two parties set the stage for a de facto one-party state. Mugabe's subsequent efforts to codify this in law were beaten back not only by human rights advocates and various tiny, right-leaning political parties (there have been no left-wing political party contenders to date), but also by international opinion, at a time when Mugabe sought more access to global financial markets. That access was one part of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the Faustian deal that Mugabe came to regret. Internally, the power of financial institutions (controlled in part by head offices in London) and their media allies grew enormously. This growth reflected the stagnation of manufacturing, and a shift of capital flow into financial and speculative arenas (especially commercial real estate and the local stock market). By the late 1980s, Zimbabwe was overwhelmed by phenomena such as the rise of a new bureaucratic-financial elite within and around the Finance Ministry and Reserve Bank; unprecedented property and stock market speculation; an increasingly desperate search for external markets due to local stagnation; creeping but often definitive policy influence by IMF, World Bank, and USAID missions; and very high levels of foreign debt (which, in 1987, required 35 percent of export earnings to service), followed by diminishing capacity to control the contours of the economy from the vantage point of the nation-state. The early 1990s witnessed domestic financial markets imploding, as international financial interests gained dominance in the local economy and successfully removed trade and financial restrictions. This sunk Zimbabwe into a profound economic depression. Droughts in 1992 and 1995 exacerbated the situation. Even more debilitating was Zimbabwe's sustained deindustrialization—a 40 percent crash in the volume of manufacturing output from 1991 to 1995, and a similar decline in workers' real standard of living, which reflected the half-baked character of neoliberal economic policy.

Economic Crisis, Social Turmoil

In the wake of 8 percent GDP growth in 1996 and 3 percent in 1997 (a surface-level recovery reflecting just how far the economy had fallen over the previous five years), the dangers of Zimbabwe's quite advanced financial liberalization were again starkly unveiled. In one day (November 14, 1997, known as Black Friday), the Zimbabwe dollar fell by 75 percent over a few hours, requiring a temporary central bank bailout and reassertion of currency controls merely to raise the exchange rate to half its previous value. Interest rates were pushed up by 6 percent in the course of the next month. Indeed, the Treasury Bill rate soared from 16 percent in April 1997 to 26 percent by October, and then 32 percent in December, and was raised again to 35 percent in August 1998. Inflation rose from levels below 15 percent in September 1997 to above 45 percent eighteen months later, with far higher price increases recorded for food. The stock market's industrial index, already off by 9 percent from peak August 1997 levels, crashed by a total of 56 percent in nominal terms, and far more in real terms, over the course of the subsequent year. More than 30,000 jobs were lost through retrenchments during 1998, as economic growth barely cleared 1 percent (and was destined to shrink in 1999).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Two political events in October 1997 attract the most blame from orthodox commentators, notwithstanding evidence of earlier rot. First, bucking strident advice and monetary arm-twisting from international financial institutions, Mugabe silenced nearly 50,000 liberation war veterans who challenged his legitimacy by granting them Z$50,000 each (US$2,800 at the time), plus a pension of Z$2,000 per month. The ex-combatants were successful essentially because their 1997 demonstrations in Harare caused the ZANU government acute embarrassment. After the payout, however, intense popular resentment against the war vets emerged, as sales taxes (and, initially, an income tax and petrol tax increase) were imposed to help cover the costs.

Second, Mugabe suddenly announced that, at long last, the government would begin implementing the 1993 Land Designation Act. (1,500 mainly white-owned farms were identified for redistribution.) Even though only partial compensation was promised, covering buildings and infrastructure rather than inflated land value, this raised once again the likelihood of fiscal convulsion. The damage to the commercial agricultural sector and related industries would be heightened by the reality (based on past experience) that the recipients of the farms would include wealthy politicians ahead of land-starved peasants; this idea was conceded by the Agriculture Minister in a radio broadcast. This patronage route was important, as other state-based options for embourgeoisement were closing. The ZANU regime again apparently was not serious about thorough-going redistribution, which would require vastly greater resources, support structures, and administrative staff than were budgeted and planned (not to mention a shift in class power— away from the emergent bureaucratic bourgeoisie and the residually potent white farming elite). The ambitious land designation exercise was not, in any case, successfully brought to fruition, for the World Bank, the IMF, the British government, and other groups sided with white farmers and effectively vetoed any forced sales in early 1998. Throughout 1998, Mugabe continued to posture as if redistribution would go forward but, in early 1999, the IMF forced him to concede that any land taken would be paid for up front. With less than $4 million available in his budget for land reform, the final nail was put in the coffin.

ZANU was being pulled in one direction by foreign funder prerogatives. Yet just as important was the pressure in another direction: first from the trade union movement and then from much of the rest of Zimbabwean society which, in late 1997, reawakened from a deep post-Independence slumber. One indication of the apathy was the decline in electoral participation, from 90 percent of potential voters in 1985 to 57 percent in 1990, and below 50 percent in 1995. But even the unions had sent ambiguous signals. During the mid-1990s, nearly nine out every ten union members polled viewed ESAP negatively.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

However, noted Sachikonye at the time, "much of the workers' understanding and critique of ESAP relate more to its effects rather than its rationale and objectives," and so when organized resistance did briefly emerge (such as a banned but ill-attended anti-ESAP demonstration on May Day 1992), its "amorphousness and porousness to state manipulation proved a weak basis for sustainability." Holding the fragile, fractured Zimbabwe Congress of Trade Unions (ZCTU) together required some strategic and rhetorical concessions. From 1994, ZCTU general secretary Morgan Tsvangirai (a left-leaning former mineworker) and president Gibson Sibanda (a traditionalist from the railroad workers) pursued a corporatist "tripartism"—government-labor-business deals, along the lines of late-apartheid South Africa—and even began to describe ESAP as "necessary but insufficient" in an attempt to find a common discourse with the government.

But notwithstanding a terribly weak legacy of union organizing and advocacy under a malevolently paternalistic post-Independence Ministry of Labor, the ambitions of better mobilized unions were by no means snuffed. In 1994, industrial action was revived by postal and telecommunications workers, Air Zimbabwe engineers (on strike for four days), bank employees (six days), construction workers (four days), and physicians (which led to the firing of all junior doctors from the public health service). Then, as nearly two years of economic rebound followed the 1991-1995 downturn, workers tested their muscles en masse.

With inflation still above 20 percent and public sector wage offers in the low single digits, unprecedented civil service militancy emerged, signalling the great gap between rulers and subjects. For nearly a fortnight in mid-1996, a strike of more than two-thirds of the civil service (160,000 workers) paralyzed the government. Daily demonstrations in downtown Harare attracted the support of trade union leadership, who had struggled unsuccessfully for several years to incorporate the civil servants' organization into the trade union movement. Sibanda and Tsvangirai threatened a general strike in solidarity with the civil service, and public sector workers refused to compromise on wage demands and protection for strike leaders. Just back from a honeymoon after a lavish wedding to his (thirty-five years younger) secretary, Mugabe revealed his lack of comprehension of civil service grievances. Workers reacted by ratcheting up the pressure, and government quickly folded to their demands. Following this example, 100,000 private sector workers were involved in strike action in mid-1997, even extending to poorly-organized agricultural plantations. Again real wage increases were finally won, the hard way.

Intensified Political Conflict

These labor victories meant that when the series of economic catastrophes began in late 1997, the ZCTU easily stepped in to assume

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

national oppositional leadership. Well-organized general strikes and demonstrations in December 1997 and March and November 1998 won nearly universal worker support, and were punctuated by a minor rebellion within the ruling party at a December 1997 conference and, via a few leading renegades, throughout 1998. In the township communities, days of rioting over food and gasoline price hikes left several people dead at the hands of the police in both January and October 1998. Similar "IMF Riots" had occurred in 1993 and 1995, but were far smaller and more rapidly extinguished. Emblematic of the growing conflict, Tsvangirai was badly beaten by ZANU-supporting thugs (probably war veterans) after the first stunningly successful national strike. A few months later the second most important ZCTU office, in Bulawayo, was razed by arsonists. While not yet paramilitary in character, the defense of Mugabe's regime was getting serious.

ZANU leaders, meanwhile, attempted to put out various fires within the party, as confidence in Mugabe's leadership plummeted and the elderly leader refused to anoint a successor. By the April 1998 gathering of the ZANU Youth League, air force leader Josiah Tungimirai told Mugabe, "Your excellency, the party is in crisis and only a fool can say otherwise." A key provincial leader, Dzikamai Mavhaire, openly revolted, receiving at least procedural support for his critique from ZANU's parliamentary leader. But the geographically and ethnically fragmented nature of the party has required a strong-arm leader simply to serve as glue, which is one reason Mugabe has resisted appointing a successor and gives the appearance of being prepared to run for president again in 2000.

The declining economy made political crisis management all the more difficult. In August 1998, Zimbabwe was subjected again to intensive currency speculation and raiding of foreign reserves which, over an eight-week period, cut another 60 percent off the Zimbabwe dollar's value. On-again, off-again funding lines from the IMF contributed to virtually unprecedented nervousness among the bourgeoisie. When a $53 million IMF loan was finally approved in early 1999, after months of delay, the conditions attached were considered by financiers to be so onerous that the currency dropped more than 4 percent the day the deal was announced. Reacting to the political challenges, Mugabe repeatedly overstretched. In August 1998, he formally gazetted a regulation that established virtually all industrial activities as "essential services," hence rendering strikes illegal. Though he temporarily backed down from this unconstitutional position as political outrage rapidly materialized, he imposed another dubious ban on strikes a few months later that the ZCTU took to the courts. In September 1998, without consulting even his politburo, much less parliament (again unconstitutionally and with virtually no popular or business support), Mugabe sent thousands of army troops

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to the Democratic Republic of the Congo (DRC) in defense of discredited leader Lawrence Kabila, who was under attack by Rwandan- and Ugandan-backed rebels. By year's end, dozens had returned in body bags, amid reports of Zimbabwean troop participation in the Congolese army's blatant violations of human rights. Mugabe's intervention was seen as a crucial, if temporary, crutch to Kabila's rule, particularly during 1998 when Kabila refused to meet the rebels for peace talks. The rationale for the intervention, joined by the Angolan and Namibian armies but rebuffed by South Africa, was widely understood to include ruling party economic interests. Military disquiet was palpable, although rumors of an attempted coup in January 1999 were very likely an exaggeration.

Amidst these events, other rancorous political background noise rose inexorably. Ongoing and increasingly vociferous demands came from an indigenous business lobby still shut out of white-controlled markets and financial institutions. Although they were regularly cleared off by authorities, land-starved peasants and farmworkers invaded a few white-owned commercial farms during 1998, egged on by the uproar over the land designation exercise. In February 1998, university students inspired by their Indonesian counterparts also took to the streets, prematurely predicting a Suharto-type endgame for Mugabe. More general popular alienation from government intensified with each new revelation of political and civil service corruption; rigged official tenders (e.g., construction of a new Harare airport); shady and incongruous international investment partnerships (especially with Malaysian firms); and conspicuous consumption by political elites (e.g., continued import of German luxury cars and the extravagant presidential wedding). There was also the danger of socio-cultural delegitimization of the devout Catholic Mugabe, for example, who sired two children out of wedlock during the 1980s, or former president Canaan Banana who, in late 1998, was accused of sodomizing and raping members of his security staff and soccer team and temporarily fled the country in disgrace. (Mugabe evidently covered matters up during Banana's early 1980s tenure in the then-ceremonial presidential post.)

In one emblematic scandal, Roger Boka, a vocal black-empowerment entrepreneur with close ties to Mugabe, brought down his own large merchant bank and a massive debt-laden tobacco processing-based empire when he faced bankruptcy in the wake of the 1997-1998 interest rate hikes. After resorting to selling $50 million in counterfeit government bonds to other naive bankers, he eventually skipped the country. (Until the very end of Boka's antics, Mugabe searched for a bailout mechanism.)

With Zimbabwe at its most politicized level in two decades, occasional but quite vicious police clampdowns have not deterred public

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dissent. Intimidation may increase however; in early 1999, the somewhat corrupt army joined the fray, with the transparently illegal detention and torture of two journalists and a publisher who reported the alleged coup attempt, followed by the arrest of four others (including noted ex-ZANU intellectual Ibbo Mandaza) on grounds of malicious reporting about the DRC war. This led to a dramatic confrontation between Mugabe and the highest level of the judiciary, with Mugabe resorting to race-baiting his opposition as agents of British imperialism (based on the judiciary's mild-mannered letter of rebuke after the army violated a court injunction to release the journalists).

The opposition press continues to harangue government (mainly from a liberal business perspective, but two popular monthly magazines carry left-populist sentiments); a gay rights movement has emerged despite Mugabe's energetic, internationally-renowned homophobia; a small Trotskyist group (of the International Socialist tendency) has been sufficiently aggressive to attract ZANU's condemnation; the 1980s atrocities against Ndebele peasants are being constructively publicized by human rights groups; and electoral challenges remain possible, with the emergence of independent, mainly petit-bourgeois candidates (who, in late 1998, founded a minor oppositional party around ex-ZANU firebrand Margaret Dongo), and with a widely supported human rights campaign to amend the country's constitution, which could evolve into a left-leaning political party.

In sum, a cross-class alliance composed of organized labor, the constrained petit-bourgeoisie, church-based critics, students, some sympathetic business liberals, and various other activists has emerged around issues of accountability and abuse of public funds. This coalition fuels a growing sentiment that after two decades in power, Mugabe and ZANU could quite possibly be voted down in the 2000 general election. An uneasy blend of divergent ideologies might coalesce to (at least) threaten such a feat, though most likely without an ideology sufficiently influenced by a broader, deeper constituency of workers and the poor. Nor would it have much prospect of either denting the state-owned broadcast and daily press monopoly's hackish support for Mugabe or breaking the apparent lock ZANU enjoys on traditional rural loyalties.

Thus, at first blush, Zimbabwe's great potential for progressive mass social mobilization remains far off. Instead, as recently as 1997, Sachikonye still discerned "possibilities of a social contract based on a corporatist arrangement" between the trade unions, the government, and business, in this remark by Tsvangirai: "The social contract would involve the three parties reaching a consensus where workers agree to restrain wage demands on the one hand and employers agree to control price increases for commodities, invest surpluses to create more jobs and train workers on the other. For Government, you would

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

expect them to cut spending." But when the IMF vetoed price controls during the January 1999 negotiations, the government set up a tripartite forum whereby businesses would simply provide notice of increases.

Prospects for political reconciliation with ZANU (or any of its diverse wings) appeared to evaporate entirely on March 1, 1999, when Tsvangirai and Sibanda announced that their joint congress with lead civil society organizations had decided to forego corporatism and instead, later in the year, establish a "political formation" led by labor. However, because of the strength of corporatist influences and the power of petit-bourgeois civil society allies, fears are often expressed that as a potential president, Tsvangirai (who, a decade ago, was an organic Marxist-influenced intellectual) would imitate Frederick Chiluba of Zambia. Zimbabwe's northern neighbor witnessed the displacement of a long-term authoritarian nationalist (Kenneth Kaunda, who served for twenty-seven years) by an alleged democrat (Chiluba, the former chief Zambian labor leader who, in a 1991 election, was backed by big business). The experience is instructive, partly because Tsvangirai is well aware of the danger and firmly denies he would follow Chiluba's trajectory. In the wake of promises to liberalize both politics and economics, Chiluba's unpopular and ineffectual structural adjustment policies destroyed three-quarters of the country's million formal-sector jobs during the 1990s, and led to deep disaffection, a botched coup attempt, and a harsh political clampdown.

But while a dangerous slide may well lie immediately ahead in Zimbabwe, this is not predetermined, and the politicization of the masses as the economic crisis deepens could conceivably halt and reverse the corporatist momentum. Tsvangirai himself condemned the government's national tripartite Economic Summit in January 1998 as a "circus," for it was evidently a public relations exercise. Indeed political fluidity is the only constant, and was certainly evident in Mugabe's dramatic 1997-1998 zig-zagging with respect to the pension payout, land designation, imposition of price controls on staple goods (cornmeal, milk, bread, and flour), and ideological recommitment to the pursuit of a traditional third-world (but, today, contentless) "socialism." Government partially conceded to the ZCTU on the despised retail taxes, but not on the 65 percent price hike of gasoline (which doubled commuter transport prices overnight) or more general reforms. Echoing a popular point of view, Tsvangirai complained in November 1998, "If we are able to subsidize a war, then necessarily we might subsidize fuel." When the January 1999 IMF mission probed the war costs, Mugabe announced that Kabila's government and Angola were compensating Zimbabwe, requiring no extra budgetary spending, a statement not widely believed.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Prospects for Progressives

Oppositional activists with left-popular inclinations (numbering, perhaps, more than 10,000 members of unions, NGOs, community organizations, student groups, churches, the feminist community, and human rights associations) now face very difficult but urgent challenges. On one hand, they will intensify the confrontations with the government, but on the other they will need to counter more actively the liberal business lobby's drumbeat advocacy of ending price controls, cutting government spending as a matter of principle, and quickening privatization. The potential divisions may have been too stark to face during the fragile gathering of oppositional forces prior to 1998, but the months leading up to the 2000 elections must clarify the future programmatic approach, in order to generate more working-class momentum and shake loose peasant loyalties.

The potential workers' party would get an enormous boost from allied progressive social forces who currently constitute the National Constitutional Assembly (NCA), which Tsvangirai chairs. The NCA aims to rewrite the Lancaster House constitution in a manner that evokes a genuine national debate transcending liberal democratic political principles, to incorporate socio-economic rights (to housing, water, public health, and a good environment). Supported by human rights activist Reginald Matchaba-Hove and with intellectual support from Raftopoulos, lawyer Tendai Biti and other leftists, the NCA is at least home to the next generation of post-nationalist leaders.

Judging by how deprived most Zimbabweans are (at a time when luxury goods still proliferate), such a popular front could make enormous headway into mass consciousness by moving from easy, common-denominator political sentiments (like disgust with Mugabe) to a left discourse. Invoking social justice, women's equality, ecological values, worker and community control, and satisfaction of basic needs for all could distinguish the progressive forces from the discredited ZANU and from various oppositional political parties of the center and right, which offer nothing more than warmed-over devotion to a Washington Consensus economic policy that has so dramatically fallen into international disrepute. An alternative development strategy aimed at decommodifying essential goods and services (housing, water, sanitation, electricity, food, clothing, healthcare, and schooling) is by no means impossible to conceptualize or realize, even in a country like Zimbabwe with roughly $500 per capita annual income. Resources would need to be redistributed fairly and linkages between economic sectors actively developed (as was planned by the state, for the benefit of white settlers, in the wake of similar economic crises during the 1900s, 1930s and 1960s).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

But the international context is indeed important to reflect upon, after the most recent arc of crises that have crashed currencies, stock markets, and standards of living in Mexico (end of 1994), Brazil (1995), South Africa (1996), Eastern Europe (early 1997), Southeast Asia (late 1997), South Korea (early 1998), Russia and South Africa again (mid-1998), and Brazil again in early 1999. In this context, Zimbabwe's next stage of progressive political protest could very well follow the loose model adopted by, among others, neighboring South African civil society forces in the last years of anti-apartheid struggle (and, indeed, still today); South Korea's militant trade unionists; the Filipino extra-parliamentary left; Indonesian and Thai activists; a new network of Indian social movements; the Brazilian landless movement; the Zapatistas; and other movements with advanced popular struggles for economic justice. These movements are mainly characterized by their demands for deepening democratization flowing from grassroots and shop-floor experiences, and for the resolution of material grievances generated by uneven socio-economic development in their particular national and local settings. Common to most is an ability to simultaneously mobilize locally on a mass basis, and deepen their constituencies' critical global consciousness.

Such a model is indeed a welcome prospect at a time when prospects for reassertion of national sovereign controls over capital flows (a la Malaysia), for resisting further liberalization (China and India), and for questioning many national elites' allegiances to Washington are emerging internationally as a result of the world economic crisis. Even where their governments remain repressive and conservative (like Zimbabwe or Malaysia), much of the third-world progressive community is using this opportunity to question more vigorously the merits of insertion into capitalist financial globalization; it is not only Pat Buchanan's and Ralph Nader's very different social forces that campaign today to defund the IMF, but a myriad of labor and social movements across the globe with first-hand experience. (The AFL-CIO, in contrast, inexplicably supported more IMF funds in 1998.)

On the other hand, a desire exists amongst some NGO internationalists to deepen and expand the past two decades of sporadic reforms of the World Bank along gender, environmental, community participation, and transparency lines. Utopian is one way to describe this effort, given how difficult it is to win concessions which cut against the grain of the market—even with reformist World Bank chief economist Joseph Stiglitz advancing his own peculiar critique of structural adjustment and George Soros begging for an international regulatory authority.

The current global crisis has thus generated a debate amongst progressives over the merits of "smashing" versus "reforming" the embryonic world state (the IMF, World Bank, World Trade Organiza-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tion, United Nations). For countries like Zimbabwe (either under Mugabe or a future democrat), suffering the fallout of the 1990s economic disaster, the case becomes ever stronger for the kind of regionalist perspective and "delinking" that Samir Amin (among others) has advocated regularly. With a weaker international financial system potentially on the horizon comes a greater chance of effecting a more favorable national balance of forces and of constructing a progressive bloc that would ultimately take and transform (or, at the very least, provide formidable opposition to) state power. Decommodifying development and controlling capital would logically follow.

Zimbabwe offers the particular political problem of a waning conservative-populist leader who often makes leftish critiques of the IMF and World Bank while his government follows their advice fairly slavishly. It is in the sea-change from mass lethargy to activism against the political ruling class, as against the option of tempting but fruitless corporatism, that Zimbabwe's labor and social movement leaders could still establish a more radical alliance of popular interests.

The left opening represents possibilities for a progressive politics based on increasingly militant activism and a basic-needs development program far clearer than the confused state-"socialism" of the 1980s. No longer innocent of nationalist corruptions or international neoliberal traps, the progressive forces are just at the stage of establishing the character of their program, and enjoy a good prospect of winning the 2000 elections if they campaign confidently. If a radical program does not emerge, the apparent alternatives for Zimbabwe's electorate are the status quo or an alliance dominated by the disaffected black petit-bourgeoisie and white business-based liberals, repeating Zambia's disastrous example. This choice should be easier as Zimbabwe's political reawakening proceeds.

Lynn Turgeon, a beloved friend of Monthly Review *and a frequent guest at our Wednesday brownbag lunches, died on Wednesday, March 10, 1999, in Ann Arbor, Michigan, after a long illness. He was 78 years old. He was a professor of Economics at Hofstra University, a Keynesian, and a contributor to (and careful reader of)* Monthly Review.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

MANDELA'S DEMOCRACY

by ANDREW NASH

The Tribal Model of Democracy

In his speech from the dock, at his 1962 trial for inciting African workers to strike and leaving the country without a passport, Nelson Mandela described the initial formation of his political ideas:

"Many years ago, when I was a boy brought up in my village in the Transkei, I listened to the elders of the tribe telling stories about the good old days, before the arrival of the White man. Then our people lived peacefully under the democratic rule of their kings and their 'amapakati', and moved freely and confidently up and down the country without let or hindrance. Then the country was ours, in our own name and right. We occupied the land, the forests, the rivers; we extracted the mineral wealth beneath the soil and all the riches of this beautiful country. We set up and operated our own government, we controlled our own armies and we organized our own trade and commerce. The elders would tell tales of the wars fought by our ancestors in defence of the fatherland, as well as the acts of valour performed by generals and soldiers during those epic days. The names of Dingane and Bambata, among the Zulus, of Hintsa, Makana and Ndlambe of the Amaxhosa, of Sekhukhuni and others in the north, were mentioned as the pride and glory of the entire African nation... The land, then the main means of production, belonged to the whole tribe, and there was no individual ownership whatsoever. There were no classes, no rich or poor, and no exploitation of man by man. All men were free and equal and this was the foundation of government. Recognition of this general principle found expression in the constitution of the Council, variously called Imbizo, or Pitso, or Kgotla, which governs the affairs of the tribe. The council was so completely democratic that all members of the tribe could participate in its deliberations. Chief and subject, warrior and medicine man, all took part and endeavoured to influence its decisions. It was so weighty and influential a body that no step of any importance could ever be taken by the tribe without reference to it... In such a society are contained the seeds

Andrew Nash teaches Political Studies at the University of the Western Cape, South Africa.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of revolutionary democracy in which none will be held in slavery or servitude, and in which poverty, want and insecurity shall be no more. This is the inspiration which, even today, inspires me and my colleagues in our political struggle."

Mandela returns to this theme more briefly in his speech from the dock at the Rivonia trial, and again in his autobiography, drafted on Robben Island in 1974. There he describes what he learned from the proceedings of the tribal meetings at the Thembu Great Place at Mquekezweni. He expands on the earlier account, personalizes it, and draws from it an account of the role of the democratic leader:

"It was democracy in its purest form. There may have been a hierarchy of importance among the speakers, but everyone was heard: chief and subject, warrior and medicine man, shopkeeper and farmer, landowner and labourer. People spoke without interruption, and the meetings lasted for many hours. The foundation of self-government was that all men were free to voice their opinions and were equal in their value as citizens. (Women, I am afraid, were deemed second-class citizens.)... At first, I was astonished at the vehemence—and candour—with which people criticized the regent. He was not above criticism—in fact, he was often the principal target of it. But no matter how serious the charge, the regent simply listened, not defending himself, showing no emotion at all. The meetings would continue until some kind of consensus was reached. They ended in unanimity or not at all. Unanimity, however, might be an agreement to disagree, to wait for a more propitious time to propose a solution. Democracy meant all men were to be heard, and a decision was taken together as a people. Majority rule was a foreign notion. A minority was not to be crushed by a majority. Only at the end of the meeting, as the sun was setting, would the regent speak. His purpose was to sum up what had been said and form some consensus among the diverse opinions. But no conclusion was forced on people who disagreed. If no agreement could be reached, another meeting would be held... As a leader, I have always followed the principles I first saw demonstrated by the regent at the Great Place. I have always endeavoured to listen to what each and every person in a discussion had to say before venturing my own opinion. Oftentimes, my own opinion will simply represent a consensus of what I heard in the discussion. I always remember the regent's maxim: a leader, he said, is like a shepherd. He stays behind the flock, letting the most nimble go on ahead, whereupon the others follow, not realizing that all along they are being directed from behind."

These two passages set out the basic elements of a model of democracy which is clearly distinct from those outlined in conventional treatments of the topic. It is not the only conception of democracy to be found in Mandela's writings, but it is the one most extensively described and most explicitly claimed as his own. According to this model, democracy consists of giving everyone a chance to speak on the matters that concern their conditions of life, and allowing the discussion to continue until sufficient consensus has been reached, with due regard to the standing of the people concerned, for the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

community to proceed without division. The role of the leader is to interpret the arguments and viewpoints put forward in debate in such a way as to make that consensus possible, drawing from expressions of difference a "tribal wisdom" which reaffirms their essential unity. The model requires that the leader who takes this role should be accepted, but not necessarily elected. What is crucial is that the question of leadership be settled beforehand, and kept separate from the question of how the popular will is to be interpreted.

In calling this the tribal model of democracy, I am seeking mainly to describe a current in the ideological history of modern capitalism, and am not taking a position about the extent to which precolonial Africa conformed to this ideology or not.

The Pre-capitalist Character of the Tribal Model

There are at least four features of pre-capitalist society—all of which distinguish it from capitalism—which are integral to this tribal model of democracy. None of them imply a rigid dichotomy between capitalist and pre-capitalist societies, or a linear mode of progression from one to the other. On the contrary, the thrust of the argument that follows is to show how past and present interpenetrate precisely within the context of capitalism, and in resistance to its political forms.

First, in pre-capitalist society (including the context which Mandela describes), the place of each person in the system of production is fixed by custom and tradition. Acceptance of such custom and tradition is essential for the stability of such a society. These customs and traditions will evolve relatively gradually, as a rule. In some cases, their evolution will be circumscribed by what nature allows. For as long as all accept their place within the social order, within certain limits, it will always be possible to achieve some kind of consensus. But it will necessarily be a consensus based on that acceptance of the place of each within production. In the context of capitalist society, in contrast, the major decisions which must be made can have no such common premise of a social order in which all know their place, and there is a place for all.

Second, accepting the customs of the tribe provides a certain security for the individual. With no system of wage-labor, there is also no incentive to cut off anyone's access to the means of production, as there is under capitalism. The chief cannot increase his wealth by removing people from the land; on the contrary, the more people who live on the land, the stronger the tribe in relation to its neighbors, the more tribute is paid to the chief, the more hands are available for collective projects. In capitalism, wage-labor is the principal means of access to the means of production, and profits depend on not paying more for it than the capitalist can help.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Third, the pre-capitalist context provides the basis for an ethic of communal solidarity, in which, for example, the chief makes sure that those in need are helped, and that no one goes hungry while the resources of the tribe are sufficient to prevent that. This ethic helps to make tribal consensus possible, as the well-being of the tribe is genuinely in the interest of its members. Within capitalism, such an ethic is an economic irrationality. Accordingly, huge numbers of people go hungry, although the resources of society are sufficient to prevent it. The consumerist ethic of capitalism works against the very idea that a common wisdom exists and can be formulated through discussion.

Fourth, there is no separation of politics and economics in pre-capitalist society. Those who have any say in the life of the tribe can also discuss what is to be done with its resources. This makes it possible to have a council which, in Mandela's formulation, is "so weighty and influential a body that no step of any importance could ever be taken by the tribe without reference to it." In contrast, capitalism depends on a separation of politics and economics, which ensures that basic decisions about the use that society will make of its productive resources are removed from the public sphere.

Although Mandela's tribal model of democracy is essentially pre-capitalist in character, it is articulated as an alternative to liberal or capitalist democracy. It is a reconstruction for purposes of political advocacy. In some respects, it might be considered as lagging behind bourgeois democracy: leadership is decided by birth not election; part of the adult population is excluded from public debate and decision-making; those who participate do so on the basis of a hierarchy of property and prestige, rather than that of formal equality; there is little prospect of the poorer members of society organizing themselves on the basis of their own aspirations. But it also differs from bourgeois democracy in ways which may be considered as advances on it: it sustains a way of life in which all are concretely involved in deciding the direction of society; it brings all issues concerning society within the sphere of public discussion; its structures of leadership and governance are not distorted and alienated by the creation of a professional layer of politicians.

The Tribal Model as Critique of Capitalism

There might be a sense in which the tribal model "contains the seeds of revolutionary democracy," as Mandela suggests. But this does not answer the question of whether those seeds could sprout in the soil of capitalist society. Although the tribal model of democracy depicts pre-capitalist society, it could not easily have emerged in that context. Indeed, this conception of the pre-colonial past emerged in South Africa only in the 1940s, after the integrity of tribal society itself had

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

been destroyed, making any real return to its conditions impossible. The tribal model began life as a protest against the exclusion of urban, educated Africans from what they saw as their rightful place in the class hierarchy of capitalist society. At the same time, it served to mobilize a dispossessed proletariat around democratic demands.

The idea of an African past whose heroes transcended ethnic division was first developed by liberal educators and missionaries in the 1920s and 1930s. It was aimed at showing African students the sphere of their own potential contribution to the linear, world-historical march of progress—championed and exemplified by the British Empire. But this idea was put to a very different use by the next generation of African intellectuals. The crucial figure in the initial development of the tribal model of democracy was Anton Lembede, philosopher of Africanism and first elected president of the African National Congress (ANC) Youth League. Until his early death in 1947, Lembede's defense of the "glorious achievements of the heroes of our past" was uncontested among that generation, and hugely influential. It was coupled with an argument that "ancient Bantu society" was radically democratic, in that it enabled "any citizen" to participate equally in the affairs of government, and "naturally socialistic," in that "land belonged to the whole tribe." Mandela's later recollections of his childhood experience often follows Lembede's formulations verbatim. Lembede called on Africans to recover this legacy in their own time. This exhortation depended on a cyclical view of history according to which the "ancient glory" of Africa was to be revived.

But in this version, the tribal model of democracy remained in a fundamentally ambiguous relationship to capitalism. While it rejected capitalism, it could never provide a real analysis of it. Instead, it saw capitalism as the product of the philosophical outlook of European civilization, against which an African philosophy of harmony and unity might prevail. Invoking a pre-capitalist past as the basis for a call for racial equality within the capitalist present, it was unable to generate a real critique of capitalism, on the one hand, or to reach an effective accommodation with it, on the other.

Mandela's Transformation of the Tribal Model

Soon after Mandela arrived in Johannesburg from the Transkei in 1943, he met Lembede and fell under his influence. But by the 1950s, Mandela had abandoned his Africanism, and become one of the ANC's main proponents of non-racialism. His writings of the 1950s look to the African townships, not the pre-colonial past, for inspiration. It is likely that Mandela shared the view articulated by Chief Luthuli in 1952 that "tribal organisation is outmoded and traditional rule by chiefs retards my people." There is, then, nothing self-evident

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in Mandela's exposition of the tribal model in his speech from the dock in 1962. And yet we can see how that exposition transformed the tribal model in such a way as to make it an ideological instrument for a democratic accommodation with capitalism in the 1980s and 1990s.

First, Mandela emphasized the moral basis of tribal political institutions, rather than the institutions themselves, and did so in a way which mostly drew them closer to the formal ideals of Western liberalism. Thus, "all men were free and equal and this was the foundation of government"; "all men were free to voice their opinions and equal in their value as citizens." The hereditary position of the chief is lost from view in this version of tribal democracy, and his tolerance of criticism and commitment to open debate comes to the fore.

Second, Mandela's evocation of the tribal past is made to serve as the basis of the moral stance taken by himself as an individual. It formed part of a moral dramatization of the South African conflict of in which Mandela was both a central protagonist and an active interpreter. For Lembede, by contrast, the tribal model of democracy had served as a source of values for the ideal society. Mandela repeatedly traces his own political vocation to his hopes, as a boy listening to the tales of the elders, that he could continue the legacy of the African heroes. In his trial speeches, in particular, he sets out the moral requirements of that vocation: he and his comrades must "choose between compliance with the law and compliance with our consciences"; they must act as "men of honesty, men of purpose, and men of public morality and conscience"; "if I had my time over," he declares, "I would do the same again, and so would any man who dares call himself a man"; above all, as he states in the final words of his speech from the dock at Rivonia, he is "prepared to die" for the ideal of a free and democratic society which animates "the struggle of the African people." Through all of this, the tribal model is extended significantly, in such a way as to make it a model of the democratic virtues, and in some moments a model of democracy constituted by such virtues.

Third, at the same time as stressing the need for these democratic virtues, Mandela constantly returns in his speeches and writings to the collective context in which his major decisions are made, and in which these virtues are generated. His position as volunteer-in-chief in the Defiance Campaign, as convener of the organizing committee of the national strike to protest against the white referendum on the Republic; his decision not to surrender himself after a warrant for his arrest had been issued; his decision to leave South Africa illegally and return; the decision to form the armed wing of the liberation movement, Umkhonto we Sizwe—on each occasion, the display of virtue

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

is made to depend on the collective decision. The democratic virtues, in effect, are embodied in the courageous and self-sacrificing leader, who embodies them only on behalf of the larger collectivity. The moral integrity of the leader (whether it be an individual or an organization), rather than the principle of heredity, becomes crucial in legitimizing the interpretation of the larger consensus, allocated to such a leader by the tribal model.

Fourth, to a greater degree than any other African leader appealing to the tribal past, Mandela's model of that past is differentiated. Its essential harmony is achieved not through the negation of differences, but through the development of moral codes for overcoming them. In his accounts of the tribal past, he switches at crucial moments from the singular on which Lembede's Africanism depended ("the African people," "the fatherland") to the plural ("under the democratic rule of our kings"; "our own armies"). This recognition of different African communities raises the question of their relations with each other. Within the Africanist framework, this is not insignificant; for as long as the organic solidarity of "the African people" was presupposed, no such question could occur. Once it does occur, it leaves space for an account of the role of the democratic leader in enabling different communities to reconcile their differences harmoniously.

Shifts in the political strategies and thought of the ANC during the 1950s helped to fill this newly-created space. Cooperation between the ANC and the South African Indian Congress, then the establishment of allied organizations for coloreds and whites, required a move away from the Africanist idea of national identity being rooted in a distinctive philosophical outlook. The fundamental premise of the "four nations" thesis of the Congress Movement was the possibility that identities could change and develop along lines that were "national" in a larger sense. While the tribal model never explicitly informed the ANC's ever more inclusive nationalism, it increasingly formed Mandela's own role within it—and, through his example, the model of democratic leadership within the ANC.

Fifth, as the result of the conceptual shifts and developments outlined above, the tribal model of democracy comes to be removed from the cyclical conception of history in which Africanists had most often—though never quite consistently—located it. The tribal past served as personal inspiration for the heroic individual, not as a summons to the African people to relive their former glory. Mandela appears never to have doubted that the larger historical process was linear and progressive. His admiration for the African past presented no barrier to his admiration for the Magna Carta, the Bill of Rights, British Parliament and the American Congress. These did not belong, as for Lembede, within a fundamentally different philosophical out-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

look. In this sense, Mandela can be said to have returned the conception of the unified African past to its liberal and missionary origins.

The result of this fivefold transformation was to create a moral framework for South African politics in which Africanist and Western liberal elements were integrated in so instinctive and original a way that Mandela himself could probably not have said where the one ended and the other began. This framework had disabling effects in some respects, and enabling effects in others. Although it was a powerful mobilizing tool, it set limits to political clarity.

Mandela on Capitalism and Socialism

Above all, this moral framework required a fatal ambiguity on the question of capitalism and socialism. For to the extent that this question divides society, the leader who is to take on the consensus-interpreting role required by the tribal model of democracy can give his allegiance to neither, without endangering the tribal model itself. The need to avoid such allegiance is, I believe, the only way to explain the extraordinary and persistent confusion of Mandela's views on capitalism and socialism. A brief account of his economic views will show how the tribal model made room for the capitulation of the ANC to capital.

This capitulation is often located in the 1990s, in the aftermath of the collapse of Stalinist regimes in Eastern Europe and the Soviet Union. In Mandela's case, the ground for it was laid in his earliest economic writing, a defense of the nationalization clauses of the Freedom Charter, published in 1956. The Freedom Charter, Mandela argued, was "by no means a blueprint for a socialist state but a program for the unification of various classes and groupings amongst the people on a democratic basis... [It] visualizes the transfer of power not to any single social class but to all the people of this country, be they workers, peasants, professional men or petty bourgeoisie." The curiosity of the argument is that it neither avoids the existence of classes (as would a liberal democrat, emphasizing individual rights instead) nor draws any conclusion about their relationship (as would a Marxist). It acknowledges the existence of classes, but assumes that each can pursue its aims in harmony with the rest. The model of democracy which enables class relationships to be harmonized is surely the tribal one; just as the chief extracts a consensus from the differing opinions of the tribe, so the democratic state extracts a consensus from bosses and workers, enabling each side to pursue its interests without impeding the interests of the other.

The same premise is needed in order to understand the views on capitalism and socialism set out in Mandela's autobiography. On the one hand, he praises Marxism as a "searchlight illuminating the dark night of racial oppression," and socialism as "the most advanced stage

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of economic life then evolved by man." He is fiercely critical of the "contemptible" character of American imperialism. But at no stage does he draws the conclusion that it is necessary to fight against capitalism or imperialism. And on his release from prison, when George Bush telephones to tell him he has included him "on his short list of world leaders whom he briefed on important issues," Mandela immediately accepts his bona fides; the entire problem of imperialism is undone at a stroke. For the tribal model can be extended across the globe, as long as leaders can find a way of recognizing each other's proper status, and allowing them to speak for their followers.

Mandela's shifting positions on economic policy since his release from prison are well-known. His memorandum to P.W. Botha of March 1989 reaffirmed the words of his Rivonia speech on "the need for some form of socialism to enable our people to catch up with the advanced countries of the world and to overcome their legacy of poverty." Until the meeting of the World Economic Forum in Davos, Switzerland in 1992, he continued to defend nationalization as an instrument of economic policy. But on his return from that event, he noted: "We have observed the hostility and concern of businessmen towards nationalization, and we can't ignore their perceptions... We are well aware that if you cannot co-operate with business, you cannot succeed in generating growth." The policies of the ANC moved rapidly towards privatization, fiscal austerity, and budgetary discipline. By the time he addressed the Joint Houses of Congress of the United States on October 6, 1994, Mandela was ready to proclaim the free market as the "magical elixir" which would bring freedom and equality to all.

It appears both to those who praise Mandela as a realist, and those who denounce him as a traitor, that he had abandoned all he had stood for before. But there is no betrayal in his record. He has simply remained true to the underlying premise which had animated his economic thought all along: the need for the leader to make use of his prestige to put forward as the tribal consensus the position which was most capable of avoiding overt division. Once it became apparent that "the hostility and concern of businessmen towards nationalization" was more than even the prestige of Mandela could alter, his prestige had to be used for the cause of privatization. The capitalist market had become the meeting place of the global tribe! Even then, Mandela would continue to claim impartiality in the conflict of ideologies, holding in a lecture delivered in Singapore in March 1997 that South Africa was "neither socialist nor capitalist, but was driven rather by the desire to uplift its people." For him, the character of the economy, and through it the movement of history, is defined on the basis of the consensus which the leader can interpret at a given moment. A hidden consistency in his political thought holds together

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a dual commitment to democracy and capitalism, and legitimates a capitalist onslaught on the mass of South Africans, who sustained the struggle for democracy for decades.

Mandela's Democracy

The new South Africa—inaugurated by the election victory of Mandela's ANC in April 1994—is, to a greater extent than is often realized, what Nelson Mandela has made it. To some extent, the limits of social change in South Africa were established by the global context. But the tribal model of democracy which I have outlined here was crucial at an ideological level in legitimating the negotiations process which led to democratic elections, the negotiation strategy of the ANC and the settlement which emerged from it.

Mandela's transformation of the tribal model had legitimated the ANC's role as interpreter of the African consensus on the basis of the sacrifices of its leaders, in a context where the original principle of heredity no longer applied. By the time the apartheid regime was ready to negotiate, it was Mandela himself, the world's most famous political prisoner and the living symbol of sacrifice, who had adopted that role. This is already evident in his letter to P.W. Botha in July 1989, proposing negotiations between the ANC and the National Party as the country's "two major political bodies." Mandela emphasizes that he acts on his own authority, not that of the ANC, and implicitly confers the same authority on Botha.

Once Mandela had been released from prison and negotiations had begun, the crucial idea which made it possible for the ANC to organize the oppressed majority around the tribal model was that of society being made up of "sectors"—youth, women, business, labor, political parties, religious and sporting bodies, and the like—each with a distinctive role to play. This idea has emerged from the organizational needs of the struggle against apartheid when repressive conditions prevented them from mobilizing around directly political demands. It was now used to insulate the leadership of the liberation movement from critical questioning. In this vein, Mandela explained to the Consultative Business Movement in May 1990: "Both of us—you representing the business world and we a political movement—must deliver. The critical questions are whether we can in fact act together and whether it is possible for either of us to deliver if we cannot or will not co-operate." In calling upon business—and, in their turn, labor, youth, students—to act within the limits of a "national consensus," the question of the basis of that consensus could be removed from sight. In effect, the "tribal elders" of South African capitalism were gathered together in a consensus which could only be "democratic" on the basis of capitalism.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The tribal model of democracy has come to form the ideological contradictions of the new South Africa. It is nowhere to be found in the constitution of the new South Africa, nor in the programs and policies of the ruling ANC. But it informs many of the institutions of the new South Africa, and above all the real relationships of power behind the facade of formal democratic procedures. In its many institutional embodiments, and above all in the hugely symbolic presence of Mandela, it calls upon the oppressed majority, in particular, to sacrifice in the cause of building a new society. They respond with a recognition of the ties of solidarity and common struggle which that call presupposes, and which they so immediately recognize in the record of Nelson Mandela himself. But the society they are called upon to build—the basis of the only consensus which can preserve the role of the chief intact—is one which will respect the cash nexus, rather than any other ties.

Mandela has played a crucial role in forming these contradictions and sustaining them. They will live on long after he has left active politics, and outside the South African context in which he has been most active in forming them. His ideological legacy—in South Africa and globally—is startlingly complex. He has provided inspiration for the struggles of oppressed people throughout the world, and he has made himself a symbol of reconciliation in a world in which their oppression continues. To understand his historical role, and come to terms with his legacy, we need to see how his greatness and his limitations stem from the same source.

A Gift for the Future

From time to time, we receive a request from a reader who wished to help insure the continuance of Monthly Review, *Monthly Review Press, and the important educational mission of the Monthly Review Foundation. Those wishing to do the same need simply state in their wills that the bequest is to "The Monthly Review Foundation, 122 West 27th Street, New York, NY 10001." Contact Martin Paddio at (212) 691-2555 for further assistance.*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CONTRADICTIONS IN THE UNIVERSALIZATION OF CAPITALISM

by JOHN BELLAMY FOSTER

A central, perhaps *the* central, idea of economic liberalism has always been that a market society organized on the basis of individual self-interest is the natural state of humankind, and that such a society is bound to prosper—through an almost providential invisible hand—provided that no external barriers stand in its way. In this view all of human history is nothing more than the gradual freeing up of market relations—the release of the universal and rational forms of society only waiting to be let loose. "In most accounts of capitalism," Ellen Meiksins Wood has critically observed, "there really *is* no beginning. Capitalism seems always to *be* there, somewhere; and it only needs to be released from its chains—for instance, from the fetters of feudalism—to be allowed to grow and mature."[1]

The counterpart of this liberal-economic view has always been a strong tendency to see capitalist society—and particularly market relations—as naturally boundless or limitless in extent, and all external barriers to its expansion as temporary obstacles to be overcome. Crises in the expansion of capital insofar as they are not purely cyclical phenomena, are usually attributed, within this economic philosophy, to external limits or interferences with the market from "outside" rather than to internal contradictions within the capital accumulation process.

State interference in the market, when this did not directly serve the interests of capital itself, has always been regarded by economic

John Bellamy Foster is a member of the board of the Monthly Review Foundation and coeditor of *Organization & Environment.* He teaches sociology at the University of Oregon. He is the author of the "Introduction" to the new edition of Harry Braverman's *Labor and Monopoly Capital* (Monthly Review Press, 1998). This article was originally presented as a paper at the Annual Conference of the Union for Radical Political Economics, New York, January 4, 1999.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

liberals as the chief obstacle to the smooth working of the system. But other elements in the natural and social environment of capital, such as the existence of traditional, non-commodity economies; the growth of monopoly (or oligopoly) as a barrier to free competition; the persistence of national boundaries, customs and markets; limits to the commodification of labor power, whether as a result of cultural norms or trade union organization; and the existence of a planetary realm, in external nature, that stands outside the regime of the market—have also been viewed as temporary barriers to be dissolved or surmounted by an expanding capitalist market society.

No one understood this inexorable tendency toward the universalization of capitalism that lay at the base of classical liberalism better than Marx. The brief panegyric to the bourgeoisie in the first part of *The Communist Manifesto* placed so much emphasis on this inner tendency toward the universalization of capitalism through which national boundaries were extinguished, nature subjected, and "all that is solid melts into air" that this is often seen as embodying Marx's own view of human progress—a "Promethean" universalism to which the revolutionary proletariat would also be compelled to adhere. Nevertheless, Marx was always acutely aware of the contradictions associated with the universalizing tendency of capitalism, and the conception of progress and civilization that this represented, and stressed the absolute limits to, as well as internal contradictions of, this kind of development. This is most evident in the *Grundrisse* where he wrote:

> [J]ust as production founded on capital creates universal industriousness on one side ... so does it create on the other a side a system of general exploitation of the natural and human qualities, a system of general utility ... [in which] there appears nothing *higher in itself*, nothing legitimate for itself, outside this circle of production and exchange .... In accord with this tendency, capital drives beyond national boundaries and prejudices as much as beyond nature worship, as well as all traditional, confined, complacent, encrusted satisfactions of present needs, and reproductions of old ways of life. It is destructive towards all of this, and constantly revolutionizes it, tearing down all the barriers which hem in the development of the forces of production ... But from the fact that capital posits every such limit as a barrier and hence gets *ideally* beyond it, it does not by any means follow that it has *really* overcome it, and, since every such barrier contradicts its character, its production moves in contradictions which are constantly overcome but just as constantly posited.[2]

Ultimately, Marx explained, such external barriers to "the universality" after which the system "irresistibly strives" are themselves the alienated products of capital's own inner nature, where the "greatest barrier" is to be found. Hence, capital can never really overcome such limits as external nature, the natural and social conditions of the reproduction of labor power, and the existence of national distinc-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tions, since these are to a large extent a consequence of the one-sided expansion of capital itself, which by striving for universality in an alienated way, serves to further divide humanity from nature, production from the conditions of human production and reproduction (and from universal needs), and nationality from nationality.

The early classical-liberal political economists, such as Smith, Malthus and Ricardo, saw only "the positive essence of capital" in this limitless drive for commodification. Distinguishing his position from these views, Marx argued that this process of the universalization of capitalism had, to a certain extent, to run its course—though at a certain point its contradictions (both internal and external) would result in its revolutionary overthrow. Hence, Marx rejected the views of economic romantics like Sismondi who operated under the illusion that the false universalism of capitalist market society could be countered simply through the erection, as Marx was to put it, of "barriers to production, from the outside, through custom, law etc., which of course, as merely external and artificial barriers, would necessarily be abolished by capital."[3] The contradictions of capitalism were all too real and all artificial restrictions introduced to save the system from itself would simply be swept aside by the development of the system. Capitalism thus tended toward an extreme universalism that undercut the conditions of its own existence. All middle roads, all proposals for the rational regulation of the system were bound to fail in the end. In this respect, Marx's views were thus very close to those of the economic liberals—who failed however to perceive the transitory nature of capitalism that this entailed.

But with the rise of the monopoly capitalism in the late nineteenth and early twentieth centuries this understanding of the universalizing tendency of capitalism, which reduced everything to the system of production and exchange and accepted no limits to its own expansion, began to recede somewhat even within the liberal tradition, and the meaning of liberalism began to change, taking on a more defensive and reformist posture.

The anxiety that this generated for many old-style economic liberals was perhaps most evident in Herbert Spencer's *The Man Versus the State* (1884), which argued that beginning in the 1860s and 1870s "true liberalism" was increasingly undermined (frequently in the name of liberalism itself) by anti-liberal, collectivist (and socialistic) tendencies, manifested in the emergence of the Factory Acts, restrictions on child labor, public health measures, regulations on working hours for certain classes, etc. In addition he saw the same collectivist tendency at work in proposals for social insurance, calls for the provision of education "gratis," and the movement to pass the Free Library Act.[4]

For Spencer the "social organism" with its laws of supply and demand and specialization had "a natural history" that should not be

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

meddled with. Any attempt to "regulate" society was therefore "pretty certain to work mischiefs." To be sure, most of the legislation of which he complained had been instituted by well-meaning liberals concerned with pragmatic solutions to problems thrown up by the market—and indeed had as their principal goal the protection of property and individual well-being. But in the process liberalism was being collectivized and made congenial to socialism. The function of "true liberalism" in the future, Spencer proclaimed, "will be that of putting a limit to the powers of Parliaments" in order to avoid such democratic undermining of the liberal order.[5]

Other economic liberals were to reinforce Spencer's argument. The classic British account of the crisis of liberalism in this period was A.V. Dicey's *Lectures on the Relation between Law and Public Opinion in England during the Nineteenth Century* (1905). Dicey contended that in the late nineteenth century utilitarian liberalism increasingly fell prey to collectivism, resulting in the introduction of innumerable measures that restricted the role of the self-regulating market. This was symbolized for Dicey by an Old Age Pensions Act (1908) which was nothing other, he argued, than a system of "outdoor relief," symbolizing the overthrow of the harsh New Poor Law of 1834 (the zenith of Benthamite liberalism) and the return to collectivism. Other legislation that he decried included: The National Insurance Act (1911), The Trade Union Act (1913), The Education (Provision of Meals) Act (1906), the Coal Mines Regulation Act (1908), and the various Acts fixing a Minimum Rate of Wages. Dicey's research into the legislative origins of this change was consistent with Spencer's argument in that it suggested that this reflected neither a straightforward ideological shift among liberal elites, nor the clear rise to dominance of socialist and other "collectivist" ideologies. Rather collectivism became ascendant as a result of purely pragmatic attempts to protect society from what were regarded as some of the more harmful effects of the system of private property, a kind of "creeping collectivism" enacted through legislation introduced by leading liberals themselves.[6]

Economic liberals like Spencer and Dicey were clearly lonely voices in the England of their times. The Liberal Party at the beginning of the new century fell under the influence of figures like John Hobson and L.T. Hobhouse who represented a form of welfare liberalism.[7] Meanwhile the Fabian Society was founded in 1884 (the very year in which Spencer's *The Man Versus the State* appeared) and became the intellectual focal point for the social democracy that grew up with the British Labour Party. The whole thrust of the state was toward what Gabriel Kolko (following Weber) was to call "political capitalism," associated with the growth of monopoly capitalism.[8]

The demise of classical liberalism was hastened by the extended world crisis encompassing the First World War, the Russian Revolu-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tion, the Great Depression, the rise of Fascism and the Second World War. By the 1940s whatever remained of the naive faith in the self-regulating market seemed to have come to a final cataclysmic end. The Keynesian revolution provided the rationale for a more active, interventionist state in the regulation of economic activity within the capitalist economy. The New Deal in the U.S. and social democracy elsewhere seemed to portend a new era of a mixed economy, combining the capitalist market system with a degree of state planning. Karl Polanyi's landmark work of social theory, *The Great Transformation* (1944), read like an obituary of nineteenth century civilization and its utopian market philosophy.

It was in this age of crisis and apparent collapse of classical liberalism, however, that a concerted attempt first emerged among economic liberals to construct a purer, more uncompromising theory of liberalism—eventually to become known as neoliberalism—which promoted the universalization of capitalism with a vengeance. The chief intellectual founders of this new tendency were to emerge (like Polanyi, its greatest critic) out of the environment of "Red Vienna" following the First World War. The mid-1920s to early 1930s in Austria were years of triumph for the industrial working class and the Austrian Social Democratic Party, which, through its control of the state, supervised the introduction of fixed rents; publicly subsidized large tenement houses operated on a nonprofit basis; extended unemployment compensation; and a vast expansion of educational opportunities—all of which were financed through levies on capital. So radically transformed was the social, political, economic and cultural environment in Vienna in this time, Kari Polanyi-Levitt and Marguerite Mendell have written, that:

> Working-class families were ... privileged in access to low-rental, bright, spacious, modern apartments with parks, kindergartens, and other communal facilities. These programs, together with a sweeping educational reform based on Alfred Adler's theories of psychology, plus the large-scale participation of the working people in Vienna in a remarkable variety of cultural, recreational, and educational activities organized by the Socialists made "Red Vienna," a world-class showpiece of avant-garde urban lifestyle .... "Never before or since," wrote Ernst Fischer, "has a Social Democratic Party been so powerful, so intelligent, or so attractive as was the Austrian party of the mid 1920s."[9]

It was in this radical atmosphere that the arch-conservative Austrian economist Ludwig von Mises organized his *Privatseminar*, which attracted Friedrich von Hayek, who became Mises' most important disciple. These thinkers, who were profoundly alienated from the social and intellectual climate of the Vienna of their day, constructed a counter-revolutionary version of economic liberalism aimed at refuting the possibility of rational economic calculation under a system of socialist planning, while promoting a purified theory of a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

universal market economy—a perspective so committed to the utopian myth of the self-regulating market that Adam Smith himself appeared to be a dangerous interventionist by contrast.

Mises contended that "all intermediate forms of social organization" between capitalism and socialism were "unavailing," and that socialism too was ultimately "unworkable"; hence "capitalism is the only feasible system of social organization based on the division of labor." Denying that there was any such thing as a "third way," he contended that "there is simply no other choice that this: either to abstain from interference in the free play of the market, or to delegate the entire management of production and distribution to the government. Either capitalism or socialism." No restrictions could therefore be placed on the market mechanism, the rule of which must be universal, unless one chose socialism, which would lead in the end to disaster. In short, Mises claimed "There is No Alternative" (TINA): capitalism is "the only feasible system of social organization based on the division of labor" and requires for its operation an unlimited commitment to the self-regulating market. The argument that a new monopoly stage of capitalism (that is, a capitalism of giant firms) had emerged that demanded a more interventionist politics was simply dismissed by Mises, who restricted the concept of "monopoly" to its more extreme, most literal forms, thereby denying its relevance. [10]

In the early 1930s Hayek accepted a chair at the London School of Economics and shortly after, in 1934, Mises left Vienna for the Graduate Institute in International Studies in Geneva. The dispersal of the Austrian School led to the spread of their version of economic liberalism, particularly in Britain and the United States. In 1936, the important U.S. political commentator Walter Lippmann published his influential work, *An Inquiry into the Principles of the Good Society*, which sought to reconstruct a justification for economic liberalism, and in which he acknowledged the direct influence of Mises and Hayek on his thinking. Following Dicey, Lippmann organized his book around an attack on the shift toward collectivism and argued that "liberalism, unlike collectivism, is not a reaction against the industrial revolution. It is the philosophy of that industrial revolution." He insisted, moreover, that liberalism had gone soft through easy living and that a more hardboiled approach was necessary. The sole "object of liberal reforms," he insisted, "is to preserve and facilitate the division of labor in the existing exchange economy." [11]

Lippmann's book marked an intellectual turning point in the development of neoliberalism. In August 1938, twenyt-six participants took part in what was called the "Le Colloque Walter Lippmann" held in Paris in honor of Lippmann's book. The subject was the crisis of liberalism and participants included in addition to Lippmann, Raymond Aron, Hayek and Mises. Out of this gathering arose some of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the main ideas for Hayek's *Road to Serfdom* (1944). More important it constituted the initial stimulus for the organization of the Mont Pélerin Society, a neoliberal intellectual group founded in 1947, and including besides Hayek and Mises such figures as Lionel Robbins, Fritz Machlup, Gottfried Haberler, Karl Popper, and Michael Polanyi. Under the intellectual leadership of Hayek this neoliberal group based its opposition to state interventionism not so much on traditional laissez faire notions, but rather on the notion of a "competitive order" arising spontaneously and taking the form of a boundless market economy.[12]

It was Karl Polanyi, who had personally witnessed the intellectual attacks that Mises and Hayek had directed at socialist Vienna, who was to provide the earliest and most devastating critique of neoliberalism, encompassing the ideas of Spencer, Dicey, Mises, Hayek and Lippmann, in his *Great Transformation.* For Polanyi what had collapsed in the age of crisis that characterized the years 1914-1945 was the universalizing tendency of capital enunciated by classical-liberal society, which required "nothing less than a self-regulating market on a world-scale," since it sought to reduce all of the essential "elements of production," labor (i.e., human beings), land (external nature) and money itself to the status of commodities—and could accept no limits to its own "stupendous mechanism." Hence, the commitment to a self-regulating market system geared to limitless commodification and accumulation tended to undermine the very conditions of production—the social-reproductive conditions of human labor power, the sustainability of nature, and the basis of monetary stability—on which its own continuation depended.[13]

Liberalism, Polanyi argued, had been characterized from the first by its own strange dialectic: on the one side, it promoted the universalization of commodity production and exchange in terms of a self-regulating market system (and with accumulation as its object); on the other hand, it sought to promote the "realistic self-protection of society" from this very market society and the process of accumulation that it imposed. In addition to capitalism's universalizing tendency therefore the system was characterized from the first, by a "double-movement"—a desperate dialectic of regulation and deregulation, arising from the fact that the basic liberal creed of a self-regulating market was a dangerous and utopian myth. The attempts to protect society and regulate the market were not the result of ideological movements so much as the "spontaneous" outgrowths of an unregulated market society—restrictions that appeared under all sorts of governments. Nor could the economic liberal, Polanyi maintained, reasonably claim that there was anything spontaneous or natural about the market itself, which was constructed and maintained by the state. Rather economic liberals were those who sought

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to promote only those interventions that served the order based on the self-regulating market with its narrow, acquisitive ends. The fanatic promotion of such an irrational and socially antagonistic order was for Polanyi the real cause of the age of crisis from which society was only just emerging.[14]

In retrospect, the main weakness in Polanyi's otherwise powerful analysis was that it overemphasized the double movement of regulation and deregulation (as if this was the essential logic of the system) and went even further to argue—though it was clear that this was partly wishful thinking since Polanyi's main purpose was to prevent the resurrection of economic liberalism—that this dialectical double movement had come to an end with "the great transformation." For Polanyi the universalization of the "self-regulating market" system was a product of a naive utopian, fanatic, evangelical faith, which was now at last fading as society learned the hard way through World Wars and economic depression that it must protect itself.

In essence, Polanyi was arguing that capitalism as the Austrian school understood it was unworkable while only forms of social liberalism, social democracy and socialism were sustainable. In this respect, though, his argument fell afoul of that of Marx as well. For the latter the universalizing tendency was inherent in capitalism itself (not simply in its more fanatic versions) and all attempts to protect society within this class configuration would be abolished by the forces of production and accumulation since capital would accept no "artificial limits" to its own expansion. In attempting to universalize itself, capital therefore undermined all external limits to its expansion, and in getting *ideally* beyond these, only brought to the fore the contradictions that expressed its own *absolute* limits (both external and internal). When Rosa Luxemburg raised the issue of whether capitalism could survive once it had become universal and absorbed all other economies within itself, she was simply underscoring an important, and frequently neglected, aspect of the dialectic of capital as understood by Marx.[15]

All of this seems especially pertinent in the present age characterized by the ideological dominance of neoliberalism, with its emphasis on globalization as a spontaneous outgrowth of a free market system that has cut off all paths of retreat. We are now commonly presented with the notion that "There Is No Alternative" to the stupendous mechanism of the self-regulating market; that we exist within a global "competitive order" in which the state is unable to resist the forces of globalization. In other words, competition has now changed and finds its functional locus at a global level that supersedes states altogether. Markets are no longer national, according to this conception, but global; hence corporations too must become global rather than multinational or transnational.[16] Keynesianism and social

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

democracy have been outflanked everywhere by a system that now seems to defy national space.

I will not attempt to go into the way in which globalization itself has been constructed by nation-states, or the long history of the globalization process. What is important to understand is that the present neoliberal project of globalization simply reflects in a functionalist way the more fundamental tendency toward the universalization of capitalism. From this standpoint, it is not capitalism's relentless destruction of all that stands outside its logic—that is, the extreme universalization of the market—that constitutes an anomaly, but rather what was once thought of as the "great transformation": the mixed economy, Keynesianism, the welfare state, and above all the idea of "capitalism with a human face."

What the foregoing tells us is that it is the reality of capitalism (and not simply neoliberal fanaticism) that is rapidly eliminating all possibilities of a "middle way" while seemingly breaking down all natural and social limits. When windmills were first introduced in Germany a fantastic struggle immediately commenced between the nobility, the priests and the Emperor, according to Marx, over who owned the wind—a struggle from which the wind however emerged victorious.[17] Today nature and genetics are being commodified in ways nearly as fantastic. Yet there is no point inside or outside of the system, we are told, that allows one to escape this vicious logic. The ultimate result is exactly what Polanyi argued in his critique of the self-regulating market system: the very "elements of production" land, labor and money are being undermined by a system that can accept no boundaries, and which, as its last ideological recourse can only say that this is the result of a new, higher functionalist reality of "globalization." The epochal shift, we are led to believe, is such that all local boundaries are abolished, leaving nowhere else to stand.

In the meantime what is clearly a global crisis is worsening by leaps and bounds. There is no doubt anymore that the global ecology (what economists used to call simply "land") is now in trouble, with the onset of global warming, the annihilation of tropical forests, the extinction of species, loss of genetic diversity, desertification, the spread of toxic wastes and a host of other—no less significant—problems. The value of labor power and the conditions of the general population are everywhere under attack, with real wages falling, living conditions deteriorating and the gap between rich and poor growing throughout the globe. On top of this, and closely following the triumph of capitalism in the Cold War and the celebration of globalization among the elites, has come a global crisis of finance which is spreading to the "real economy" everywhere. The recognition that the world economy is stagnating and is characterized by overcapacity and financial instability is not confined today to the work of Marxist

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

economists writing in the pages of *Monthly Review*, but is now an urgent topic of discussion on a daily basis in the business press. To all of this, neoliberalism has no answers—except perhaps shock therapy and a further hardening of IMF terms of conditionality. Meanwhile the left is in disarray, not so much by the failure of state socialism as by the failure of Keynesianism and social democracy, and has fled into all sorts of "postmodernist" hypotheses that make virtues of indeterminacy, nihilism, solipsism and other anti-Enlightenment perspectives. The result is a pervasive political paralysis and ideological impasse.[18]

Perhaps in this situation we have to acknowledge the extreme nature of capitalism and of the choices that it forces upon us if we are to preserve the bases of human sociability and ecological sustainability. What we are facing today is not so much a "great rupture" in the history of capitalism, but capitalism at its most basic. As Ellen Meiksins Wood has written, "The contradictions of capitalism are manifesting themselves in new and aggravated ways precisely because the old ways of pulling out of crisis are, as Marx said they would be, less and less available, in other words, precisely *because* capitalism is so universal." The new, higher functional unity promised in neoliberal conceptions of globalization has proven to be a mirage and what we are now confronted with is a capitalism stripped of all pretensions of humanity, with no way to go but out. Indeed, there is no genuine alternative to capitalism, but one—the society of associated producers.

NOTES

1. Ellen Meiksins Wood, "Modernity, Postmodernity or Capitalism?" in Robert W. McChesney, Ellen Meiksins Wood and John Bellamy Foster, ed., *Capitalism and the Information Age* (New York: Monthly Review Press, 1998), p. 30.
2. Karl Marx, *Grundrisse* (New York: Vintage, 1973), pp. 409-10.
3. Ibid., pp. 410-11.
4. Herbert Spencer, *The Man Versus the State* (Indianapolis: Liberty Classics, 1981), pp. 17-23, 46, 53.
5. Ibid., pp. 15, 24-26, 43, 63, 119, 166.
6. A.V. Dicey, *Law and Public Opinion in England During the Nineteenth Century* (London: St. Martin's Street, 1914), pp. xxxiii-xxxvi; Richard Cockett, *Thinking the Unthinkable: Think Tanks and the Economic Counter-Revolution, 1931-1983* (London: HarperCollins, 1995).
7. Cockett, *Thinking the Unthinkable*, p. 15.
8. Gabriel Kolko, *The Triumph of Conservatism* (New York: Free Press, 1963), p. 3.
9. Kari Polanyi-Levitt and Marguerite Mendell, "The Origins of Market Fetishism," *Monthly Review*, vol. 41, no. 2 (June 1989), p. 23.
10. Ludwig von Mises, *Liberalism* (Kansas City: Sheed Andrews and McMeel, 1962), pp. 75-85.
11. Walter Lippmann, *An Inquiry into the Principles of the Good Society* (Boston: Little, Brown and Co., 1937), pp. 236-37.
12. Cockett, *Thinking the Unthinkable*, p. 113.
13. Karl Polanyi, *The Great Transformation* (Boston: Beacon Press, 1944), pp. 135-50.
14. Ibid., p. 141.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

15. On Marx's argument on absolute limits see István Mészáros, *Beyond Capital* (New York: Monthly Review Press, 1995). See also Rosa Luxemburg, *The Accumulation of Capital* (New York: Monthly Review Press, 1951).
16. The first major argument on "The Globalization of Markets" within the business literature (in which most of these propositions were advanced) was to be found in a 1983 article with that title by Theodore Levitt in the *Harvard Business Review*. See Levitt, *The Marketing Imagination* (New York: The Free Press, 1986). The functionalist aspect of the globalization concept is what distinguishes it from the mere notion of internationalization, which refers to a quantitative process but not necessarily an epochal shift of a more qualitative kind. The distinction is well-made in Peter Dicken's *The Global Shift* (New York: Guilford, 1998), p. 5, where he states: "*Globalization processes* are *qualitatively* different from internationalization processes. They involve not merely the geographical extension of economic activity across national boundaries [that is internationalization] but also—and more importantly—the *functional integration* of such internationally dispersed activities." Indeed, the logic behind the idea of globalization frequently takes a circular form characteristic of functionalism—that is, the system functions to some extent on a more global level than before which means that it produces a *new global-functional unity*.
17. Karl Marx, *Capital*, vol. 1 (New York: Vintage, 1977), p. 496.
18. See Harry Shutt, *The Trouble with Capitalism* (London: Zed Press, 1998), pp. 198-212.

In loving memory of
DR. IRVING RUMACK
who died on October 20, 1998.
A lifelong radical and a dear friend.

Irv loved our mad world
while he struggled to make it better.
May we follow his example.

Ted and Joan Hall

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

NOAM CHOMSKY AND THE STRUGGLE AGAINST NEOLIBERALISM

by ROBERT W. MCCHESNEY

Neoliberalism is the defining political economic paradigm of our time—it refers to the policies and processes whereby a relative handful of private interests are permitted to control as much as possible of social life in order to maximize their personal profit. Associated initially with Reagan and Thatcher, neoliberalism has for the past two decades been the dominant global political economic trend adopted by political parties of the center, much of the traditional left, and the right. These parties and the policies they enact represent the immediate interests of extremely wealthy investors and less than one thousand large corporations.

Aside from some academics and members of the business community, the term neoliberalism is largely unknown and unused by the public at large, especially in the United States. There, to the contrary, neoliberal initiatives are characterized as free market policies that encourage private enterprise and consumer choice, reward personal responsibility and entrepreneurial initiative, and undermine the dead hand of the incompetent, bureaucratic, and parasitic government, which can never do good (even when well intentioned, which it rarely is). A generation of corporate-financed public relations efforts has given these terms and ideas a near-sacred aura. As a result, these phrases and the claims they imply rarely require empirical defense, and are invoked to rationalize anything from lowering taxes on the wealthy and scrapping environmental regulations to dismantling public education and social welfare programs. Indeed, any activity that might interfere with corporate domination of society is

---

Robert W. McChesney teaches communication at the University of Illinois. His newest book is *Rich Media, Poor Democracy: Communication Politics in Dubious Times* (Urbana and Chicago: University of Illinois Press, 1999). This article first appeared as the introduction to Noam Chomsky's *Profit Over People* (New York: Seven Stories Press, 1999).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

automatically suspect because it would impede the workings of the free market, which is advanced as the only rational, fair, and democratic allocator of goods and services. At their most eloquent, proponents of neoliberalism sound as if they are doing poor people, the environment, and everybody else a tremendous service as they enact policies on behalf of the wealthy few.

The economic consequences of these policies have been the same just about everywhere, and exactly what one would expect: a massive increase in social and economic inequality, a marked increase in severe deprivation for the poorest nations and peoples of the world, a disastrous global environment, an unstable global economy, and an unprecedented bonanza for the wealthy. Confronted with these facts, defenders of the neoliberal order claim that the spoils of the good life will invariably spread to the broad mass of the population—as long as the neoliberal policies that exacerbated these problems are not interfered with by anyone!

In the end, proponents of neoliberalism cannot and do not offer an empirical defense for the world they are making. To the contrary, they offer—no, demand—a religious faith in the infallibility of the unregulated market, drawing upon nineteenth century theories that have little connection to the actual world. The ultimate trump card for the defenders of neoliberalism, however, is that there is no alternative. Communist societies, social democracies, and even modest social welfare states like the United States have all failed, the neoliberals proclaim, and their citizens have accepted neoliberalism as the only feasible course. It may well be imperfect, but it is the only economic system possible.

Earlier in the twentieth century some critics called fascism "capitalism with the gloves off," meaning that fascism was pure capitalism without democratic rights and organizations. In fact, we know that fascism is vastly more complex than that. Neoliberalism, on the other hand, is indeed "capitalism with the gloves off." It represents an era in which business forces are stronger and more aggressive, and face less organized opposition than ever before. In this political climate they attempt to codify their political power and enact their vision on every possible front. As a result, business is increasingly difficult to challenge, and civil society (nonmarket, noncommercial, and democratic forces) barely exists at all.

It is precisely in its oppression of nonmarket forces that we see how neoliberalism operates—not only as an economic system, but as a political and cultural system as well. Here the differences with fascism, with its contempt for formal democracy and highly mobilized social movements based upon racism and nationalism, are striking. Neoliberalism works best when there is formal electoral democracy, but when the population is diverted from the information, access, and public forums necessary for meaningful participation in decision-making. As

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

neoliberal guru Milton Friedman put it in *Capitalism and Freedom*, because profitmaking is the essence of democracy, any government that pursues antimarket policies is being antidemocratic, no matter how much informed popular support they might enjoy. Therefore it is best to restrict governments to the job of protecting private property and enforcing contracts, and to limit political debate to minor issues. (The real matters of resource production and distribution and social organization should be determined by market forces.)

Equipped with this perverse understanding of democracy, neoliberals like Friedman had no qualms over the military overthrow of Chile's democratically elected Allende government in 1973, because Allende was interfering with business control of Chilean society. After fifteen years of often brutal and savage dictatorship—all in the name of the democratic free market—formal democracy was restored in 1989 with a constitution that made it vastly more difficult (if not impossible) for the citizenry to challenge the business-military domination of Chilean society. That is neoliberal democracy in a nutshell: trivial debate over minor issues by parties that basically pursue the same pro-business policies regardless of formal differences and campaign debate. Democracy is permissible as long as the control of business is off-limits to popular deliberation or change; i.e., so long as it isn't democracy.

Neoliberal democracy therefore has an important and necessary byproduct—a depoliticized citizenry marked by apathy and cynicism. If electoral democracy affects little of social life, it is irrational to devote much attention to it; in the United States, the spawning ground of neoliberal democracy, voter turnout in the 1998 congressional elections was a record low, with just one-third of eligible voters going to the polls. Although occasionally generating concern from those established parties like the U.S. Democratic Party that tend to attract the votes of the dispossessed, low voter turnout tends to be accepted and encouraged by the powers that be as a very good thing since nonvoters are, not surprisingly, disproportionately found among the poor and working class. Policies that quickly could increase voter interest and participation rates are stymied before ever getting into the public arena. In the United States, for example, the two main business-dominated parties, with the support of the corporate community, have refused to reform laws—some of which they put on the books—making it virtually impossible to create new political parties (that might appeal to non-business interests) and let them be effective. Although there is marked and frequently observed dissatisfaction with the Republicans and Democrats, electoral politics is one area where notions of competition and free choice have little meaning. In some respects, the caliber of debate and choice in neoliberal elections tends to be closer to that of the one-party communist state than that of a genuine democracy.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

But this barely indicates neoliberalism's pernicious implications for a civic-centered political culture. On one hand, the social inequality generated by neoliberal policies undermines any effort to realize the legal equality necessary to make democracy credible. Large corporations have resources to influence media and overwhelm the political process, and do so accordingly. In U.S. electoral politics, for just one example, the richest one-quarter of one percent of Americans make 80 percent of all individual political contributions and corporations outspend labor by a margin of ten to one . Under neoliberalism this all makes sense; elections then reflect market principles, with contributions being equated with investments. As a result, it reinforces the irrelevance of electoral politics to most people and assures the maintenance of unquestioned corporate rule.

On the other hand, to be effective, democracy requires that people feel a connection to their fellow citizens, and that this connection manifests itself though a variety of nonmarket organizations and institutions. A vibrant political culture needs community groups, libraries, public schools, neighborhood organizations, cooperatives, public meeting places, voluntary associations, and trade unions to provide ways for citizens to meet, communicate, and interact with their fellow citizens. Neoliberal democracy, with its notion of the market *über alles*, takes dead aim at this sector. Instead of citizens, it produces consumers. Instead of communities, it produces shopping malls. The net result is an atomized society of disengaged individuals who feel demoralized and socially powerless.

In sum, neoliberalism is the immediate and foremost enemy of genuine participatory democracy, not just in the United States but across the planet, and will be for the foreseeable future. It is fitting that Noam Chomsky is the leading intellectual figure in the world today in the battle for democracy and against neoliberalism. In the 1960s, Chomsky was a prominent U.S. critic of the Vietnam war and, more broadly, became perhaps the most trenchant analyst of the ways U.S. foreign policy undermines democracy, quashes human rights, and promotes the interests of the wealthy few. In the 1970s, Chomsky (along with his co-author Edward S. Herman) began researching the ways the U.S. news media serve elite interests and undermine the capacity of the citizenry to actually rule their lives in a democratic fashion. Their 1988 book, *Manufacturing Consent*, remains the starting point for any serious inquiry into news media performance.

Throughout these years Chomsky, who could be characterized as an anarchist or, perhaps more accurately, a libertarian socialist, was a vocal, principled, and consistent democratic opponent and critic of Communist and Leninist political states and parties. He educated countless people, including myself, that democracy was a non-negotiable cornerstone of any postcapitalist society worth living in or

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fighting for. At the same time, he has demonstrated the absurdity of equating capitalism with democracy, or thinking that capitalist societies, even under the best of circumstances, will ever open access to information or decision-making beyond the most narrow and controlled possibilities. I doubt any author, aside from perhaps George Orwell, has approached Chomsky in systematically skewering the hypocrisy of rulers and ideologues in both Communist and capitalist societies as they claim that theirs is the only form of true democracy available to humanity.

In the 1990s, all these strands of Chomsky's political work—from anti-imperialism and critical media analysis to writings on democracy and the labor movement—have come together, culminating in work like *Profit Over People*, about democracy and the neoliberal threat. Chomsky has done much to reinvigorate an understanding of the social requirements for democracy, drawing upon the ancient Greeks as well as the leading thinkers of democratic revolutions in the seventeenth and eighteenth centuries. As he makes clear, it is impossible to be a proponent of participatory democracy and at the same time a champion of capitalism or any other class-divided society. In assessing the real historical struggles for democracy, Chomsky also reveals that neoliberalism is hardly a new thing; it is merely the current version of the battle for the wealthy few to circumscribe the political rights and civic powers of the many.

Chomsky may also be the leading critic of the mythology of the natural "free" market, that cheery hymn that is pounded into our heads about how the economy is competitive, rational, efficient, and fair. As Chomsky points out, markets are almost never competitive. Most of the economy is dominated by massive corporations with tremendous control over their markets and which therefore face precious little competition of the sort described in economics textbooks and politicians' speeches. Moreover, corporations themselves are effectively totalitarian organizations, operating along nondemocratic lines. That our economy is centered around such institutions severely compromises our ability to have a democratic society.

The mythology of the free market also submits that governments are inefficient institutions that should be limited, so as not to hurt the magic of the natural *laissez faire* market. In fact, as Chomsky emphasizes, governments are central to the modern capitalist system. They lavishly subsidize corporations and work to advance corporate interests on numerous fronts. The same corporations that exult in neoliberal ideology are in fact often hypocritical: they want and expect governments to funnel tax dollars to them, and to protect their markets from competition for them, but they want to be assured that governments will not tax them or work supportively on behalf of non-business interests, especially the poor and working class. Govern-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ments are bigger than ever, but under neoliberalism they have far less pretense to addressing non-corporate interests.

Nowhere is the centrality of governments and policymaking more apparent than in the emergence of the global market economy. What is presented by pro-business ideologues as the natural expansion of free markets across borders is, in fact, quite the opposite. Globalization is the result of powerful governments, especially that of the United States, pushing trade deals and other accords down the throats of the world's people to make it easier for corporations and the wealthy to dominate the economies of nations around the world without having obligations to the peoples of those nations. Nowhere is the process more apparent than in the creation of the World Trade Organization in the early 1990s and, now, in the secret deliberations on behalf of the Multilateral Agreement on Investment (MAI).

Indeed, it is the inability to have honest and candid discussions and debates about neoliberalism in the United States and elsewhere that is one of its most striking features. Chomsky's critique of the neoliberal order is effectively off-limits to mainstream analysis despite its empirical strength and because of its commitment to democratic values. Here, Chomsky's analysis of the doctrinal system in capitalist democracies is useful. The corporate news media, the PR industry, the academic ideologues, and the intellectual culture writ large play the central role of providing the "necessary illusions" to make this unpalatable situation appear rational, benevolent, and necessary (if not necessarily desirable). As Chomsky hastens to point out, this is no formal conspiracy by powerful interests; it doesn't have to be. Through a variety of institutional mechanisms, signals are sent to intellectuals, pundits, and journalists, pushing toward seeing the status quo as the best of all possible worlds, and away from challenging those who benefit from that status quo. Chomsky's work is a direct call for democratic activists to remake our media system so it can be opened up to anticorporate, antineoliberal perspectives and inquiry. It is also a challenge to all intellectuals, or at least those who express a commitment to democracy, to take a long, hard look in the mirror and to ask themselves in whose interests, and for what values, do they do their work.

Chomsky's description of the neoliberal/corporate hold over our economy, polity, journalism, and culture is so powerful and overwhelming that for some readers it can produce a sense of resignation. In our demoralized political times, a few may go a step further and conclude that we are enmeshed in this regressive system because, alas, humanity is simply incapable of creating a more humane, egalitarian, and democratic social order.

In fact, Chomsky's greatest contribution may well be his insistence upon the fundamental democratic inclinations of the world's peo-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ples, and the revolutionary potential implicit in those impulses. The best evidence of this possibility is the extent to which corporate forces go to prevent genuine political democracy from being established. The world's rulers understand implicitly that theirs is a system established to suit the needs of the few, not the many, and that the many therefore cannot ever be permitted to question and alter corporate rule. Even in the hobbled democracies that do exist, the corporate community works incessantly to see that important issues like the MAI are never publicly debated. And the business community spends a fortune bankrolling a PR apparatus to convince Americans that this is the best of all possible worlds. The time to worry about the possibility of social change for the better, by this logic, will be when the corporate community abandons PR and buying elections, permits a representative media, and is comfortable establishing a genuinely egalitarian participatory democracy because it no longer fears the power of the many. But there is no reason to think that day will ever come.

Neoliberalism's loudest message is that there is no alternative to the status quo, and that humanity has reached its highest level. Chomsky points out that there have been several other periods designated as the "end of history" in the past. In the 1920s and 1950s, for example, U.S. elites claimed that the system was working and that mass quiescence reflected widespread satisfaction with the status quo. Events shortly thereafter highlighted the silliness of those beliefs. I suspect that as soon as democratic forces record a few tangible victories the blood will return to their veins, and talk of no possible hope for change will go the same route as all previous elite fantasies about their glorious rule being enshrined for a millennium.

The notion that no superior alternative to the status quo exists is more farfetched today than ever, in this era when there are mind-boggling technologies for bettering the human condition. It is true that it remains unclear how we might establish a viable, free, and humane post-capitalist order; the very notion has a utopian air about it. But every advance in history, from ending slavery and establishing democracy to ending formal colonialism, has at some point had to conquer the notion that it was impossible to do because it had never been done before. As Chomsky points out, organized political activism is responsible for the degree of democracy we have today, for universal adult suffrage, for women's rights, for trade unions, for civil rights, for the freedoms we do enjoy. Even if the notion of a post-capitalist society seems unattainable, we know that human political activity can make the world we live in vastly more humane. As we get to that point, perhaps we will again be able to think in terms of building a political economy based on principles of cooperation, equality, self-government, and individual freedom.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Until then, the struggle for social change is not a hypothetical issue. The current neoliberal order has generated massive political and economic crises from east Asia to eastern Europe and Latin America. The quality of life in the developed nations of Europe, Japan, and North America is fragile and the societies are in considerable turmoil. Tremendous upheaval is in the cards for the coming years and decades. There is considerable doubt about the outcome of that upheaval, however, and little reason to think it will lead automatically to a democratic and humane resolution. That will be determined by how we, the people, organize, respond, and act. As Chomsky says, if you act like there is no possibility of change for the better, you guarantee that there will be no change for the better. The choice is ours, the choice is yours.

LABOR STANDARD
a new labor-oriented magazine

Continuing a 15-year tradition of ***Bulletin in Defense of Marxism***, which has published work by such people as

Ernest Mandel, George Breitman, Frank Lovell,
Michael Löwy, Elaine Bernard, Muhammed Ahmed,
Manuel Aguilar Mora, Tom Barrett, Catherine Samary,
George Saunders, Paul Le Blanc, Miriam Braverman, Dan Georgakas,
Lloyd D'Aguilar, Michael Livingston, Peter Rachleff, Alan Wald,
John Henrik Clarke, Claire Cohen, Jean Tussey, Zhang Kai,
Rosario Ibarra, Don Rojas, Mike Alewitz,
Dhoruba Bin Wahad,
Rita Shaw, Ron Daniels, Michael S. Smith,
Steve Bloom, Peter Johnson, Ramsey Clarke,
Joe Auciello, Evelyn Sell, Marilyn Vogt-Downey
Abdeen Jabara, Joe Auciello, Andy Pollack, Assata Shakur,
Dan LaBotz, Genora Johnson Dollinger, Bill Onasch, Charles Walker,
B. Skanthakumar, Renfrey Clarke, David Mandel & more...

- Its editors identify with American revolutionary traditions and are guided by the principles of working-class democracy and revolutionary socialism represented by Karl Marx, Frederick Engels, Rosa Luxemburg, V.I. Lenin and Leon Trotsky.

- We seek to share our ideas and learn from others as we participate in the struggle for a better world.

- We seek to help advance free, honest, thoughtful discussions among today's labor and social activists--coming from various perspectives--about their experiences and perspectives.

Six issues a year. Subscription: $24; single copy $4.00.
Special introductory subscription: $5 for two issues.

LABOR STANDARD
P.O. Box 1317
New York, NY 10009

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CHURCHILL, STALIN, AND THE GREEK REVOLUTION

by JOHN NEWSINGER

Even before the end of the Second World War, the British intervened militarily in Greece, with over seventy thosand troops, to crush the Left and prepare the way for the restoration of a discredited and reactionary monarchy. Prime Minister Winston Churchill took a close personal interest in the episode, famously ordering his military commander, General Scobie, to behave in Athens as if he were in "a conquered city." Churchill, with the full support of his Labour coalition partners, made absolutely clear that, as far as he was concerned, those Greeks who had collaborated with the Nazis were infinitely preferable to those who had resisted. What is particularly remarkable is that the bloody assault on the Communist-led National Liberation Front (EAM) took place with the agreement of Joseph Stalin. It honored the secret "Churchill-Stalin Pact," concluded in Moscow in October 1944, which partitioned the Balkans. The Greek Left, after enduring the long years of Nazi occupation, was brutally sacrificed on the altar of great power politics.

The Resistance

Parliamentary democracy had been extinguished in Greece in August 1936, when General Metaxas established a military dictatorship with the endorsement of King George II and the support of the British. Metaxas established a police state modeled on corporatist lines borrowed from Fascist Italy and Nazi Germany. The Left was successfully broken and Greece was kept safe for the rich and for foreign investors, particularly the British. However, the regime's fas-

John Newsinger teaches at Bath Spa University College. He is the author of *Shaking the World: The Revolutionary Journalism of John Reed* (1998) and *Orwell's Politics* (1999).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cist trappings did not save it from the attentions, first of Mussolini, and later of Hitler. In April 1941 the Nazis invaded and occupied the country, driving out a British expeditionary force in the process. George II fled to London, while the Greek Communist Party (KKE) proceeded to put itself at the head of a growing resistance movement.

In September 1941, the Communists established the National Liberation Front, a broad based alliance with Popular Front politics. It was committed to social reform, women's liberation, democratization, and national freedom, but relegated the struggle for socialism to the future, once the Germans had been driven out and a democratic republic put in place. EAM proclaimed its respect for property rights and was determined to conciliate the middle class, hoping to unite the Greek people against the Nazi Occupation and the Greek conservatives who chose to collaborate with it.[1]

The movement was tremendously successful, and by the end of 1943 had achieved mass support in both the towns and the countryside. By mid-1944, it claimed two million members, nearly a third of the population and, with its fifty-thousand-strong National Liberation Army (ELAS), had successfully liberated much of the countryside. It had overwhelming support in the working-class districts of Athens. The Communists had established an underground resistance state in the face of the most savage repression: Nazi reprisals, executions, and massacres were to cost the lives of some seventy thousand men, women and children, and resulted in the destruction of around nine hundred villages.[2] How did the British respond to the rise of a mass armed Left in what they regarded as one of their "satellites?" [3]

While the British hoped to use ELAS against the Germans, they also attempted to build up a right-wing counterbalance to the Left. Rex Leeper, the British ambassador to George II, sent a memorandum in July 1943, arguing that Greece could be saved for the British Empire and that Britain's "postwar influence in the Eastern Mediterranean may depend very much on our success in doing so." To achieve this, he insisted that "we must pursue a somewhat reactionary policy."[4] This was, of course, not something with which British Governments have ever had a problem! On this occasion, however, British difficulties were increased by Churchill's personal commitment to George II, who was deeply unpopular in Greece for his association with Metaxas. Churchill insisted on a royalist restoration, even though this drove much of the Greek middle class (republican in sympathy) into the arms of EAM and the Communists. Indeed, British support for the monarchy eventually provoked a mutiny in the Greek army and navy units serving with the British in the Middle East. This provided an excuse for a purge of unreliable left and liberal elements (thousands of Greek servicemen were interned for the duration of the war), leaving only one loyal reactionary unit, the Mountain Brigade.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In Greece itself, the British tried to encourage rival resistance organizations, even turning a blind eye to their cooperation with the Germans and their locally recruited collaborationist forces, the Security Battalions. Support for EAM and its military arm, ELAS, remained overwhelming, however.

Given the extent of their popular support and their military superiority on the Greek mainland, it has often seemed incomprehensible that the Communists did not defy the British, depose the King, and proclaim a republic in 1944. The British could not have done much about it. Instead, the EAM leadership was browbeaten by the British into acknowledging George II's government-in-exile and, in August 1944, actually appointed a number of ministers to it. This was despite the fact that the government-in-exile had no significant support in Greece and was wholly dependent upon the British. Indeed it was, in every sense of the word, their creature.

Why did the Communists go along with this? Essentially, the Greek Left was sacrificed to the exigencies of Russian foreign policy. Stalin was interested in doing a deal with the British over the disposal of the Balkans and certainly did not intend to allow the Greek Communists to compromise the negotiations. Put simply, Soviet representatives pressured the KKE leadership into accepting British terms even though they were extremely damaging. Soon afterwards, Stalin got his deal. On October 9, 1944, he and Churchill reached a secret agreement, "the Churchill-Stalin Pact," whereby the fate of the Balkan peoples was settled. Stalin conceded Britain a 90 percent interest in Greece, in return for a 90 percent interest in Romania and a 75 percent interest in Bulgaria for Russia. Influence in Yugoslavia and Hungary was to be split fifty-fifty. Stalin had abandoned the Greek Communists and effectively handed them over to the tender mercies of Winston Churchill. They were, of course, completely unaware of this.[5]

The British Arrive

The British were worried that German withdrawal from Greece would create a vacuum that would be filled by the Communists and, in particular, that they would seize Athens. To prevent this, the decision was made to occupy the city with British troops. ELAS agreed to cooperate with this in good faith. For the British, it was merely a prelude to their destruction. In early July 1944, a senior British diplomat noted in his diary that it was "an exhilarating day" because, at last, the decision had been made "to extirpate EAM in Greece."[6] The first British troops began to arrive in Athens on October 17.

The British ordered the disarming and disbandment of ELAS at the same time as they proposed to build up forces loyal to George II. These forces were made up of former members of the much-hated

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Security Battalions. The arrival of the royalist Mountain Brigade increased tension, with the Communists arguing that if ELAS was to disband then so should royalist units. On December 2, Communist ministers resigned from the government and called a general strike and mass demonstration in Athens for the next day. The demonstration was fired on by the police in Constitution Square. According to one British officer present at the massacre:

> Men, women and children, who a few moments before had been shouting, marching, laughing, full of spirit and defiance, waving their flags and our flags fell to the ground, blood trickling out of their heads and bodies... I shall never forget that scene.[7]

Twenty-eight people were killed, shot down by a police force that, only weeks before, had been collaborating with the Nazis.

The massacre provoked widespread fighting in Athens, with ELAS units attacking police stations throughout the city. There were no attacks on British troops. This was most definitely not a Communist attempt at seizing power, as the British later claimed. Instead they were taking vengeance on the police and, at the same time, were hoping to put pressure on the Papandreou Government over the issue of demobilization. The Communists were still thinking in terms of reaching a compromise with the British, while the British were determined to destroy them. On December 5, Churchill telegrammed the British commander, General Scobie, that he should not "hesitate to act as if ... in a conquered city where a local rebellion is in progress ... We have to hold and dominate Athens."[8]

British troops intervened in the fighting in support of the police with orders to drive ELAS forces from the city. The Communists were taken completely by surprise. A British tank smashed down the door of the EAM headquarters on Stadium Street, and when a "furious ELAS guerrilla ripped off his shirt and stood bare-chested in front of the tank, challenging the crew to run him over, they backed off."[9] Elsewhere, the British met with ferocious resistance that quickly put them on the defensive. When the British Minister Resident in the Mediterranean, Harold Macmillan, arrived in the city on December 11, the situation "could hardly have been worse." They had, Macmillan admitted, "underestimated the military skill, determination and power of the insurgents."[10]

The Battle for Athens

At this early stage of the fighting, there seems little doubt that ELAS could have overrun the British in Athens if they had wished. The British were penned into a small area around the British Embassy, under constant sniper and mortar fire and occasional attack. On December 13, ELAS guerrillas, disguised in British uniforms, broke into a British military base only three hundred yards from the Em-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

bassy. They destroyed the telephone exchange and fired the petrol dump before being driven off after heavy fighting. One British officer described his defensive position as resembling "a corner of Stalingrad."[11] On the 18th, ELAS stormed the Averoff prison, and on the 20th, they captured the RAF Headquarters, killing or taking prisoner two hundred fifty British servicemen. Macmillan, holed up in the Embassy, was worried that he was going to suffer the same fate as "Gordon of Khartoum or whether reinforcements could be landed in time."[12] But these successes were not pressed home. The defeat of the British was not the Communists' objective. As early as December 9, they had approached Scobie with an offer to negotiate, but for Churchill, the objective was "the defeat of EAM" and the offer was refused.[13] Instead, the British brought in substantial reinforcements, transferring two divisions from Italy, bringing Scobie's strength to over fifty thousand men by December 16. Tanks, artillery, and aircraft were used to pound working-class districts of the city. Alongside this military buildup, Macmillan proposed a political initiative intended to split moderate elements away from EAM. He suggested that the King should temporarily step aside and that a regency be established under Archbishop Damaskinos. With the tide beginning to turn in favor of the British, Churchill decided to visit Athens himself, arriving on December 25.

Churchill met with three EAM representatives on the 26th, but no agreement was reached. Afterwards, Field Marshal Alexander complained to him about not being allowed to "Rotterdam" the city, to bomb working-class areas flat, which would, he believed, have finished the Communists off. One worry was that this would cause so many civilian casualties as to increase unrest among the troops, many of whom were already unhappy at being at war with the resistance.[14]

To counter this uncertainty and to quiet complaints at home, the British launched a propaganda campaign to blacken the Communists. Without any doubt, the fighting had provided an opportunity for the settling of scores with collaborators, something that happened in every liberated country, but here it was presented as an atrocity, a war crime, that the British had to prevent. The British use of former members of the Security Battalions in the fighting was ignored.[15]

In the New Year, British troop strength increased to seventy-five thousand men while the ELAS forces in the city were left to fight alone. Heavily outnumbered and outgunned, on January 5, 1945 the Communists began to withdraw. The battle had been lost and ten days later a truce was concluded. British losses were heavy: 267 dead, 987 wounded and 1,170 captured, but as far as Churchill was concerned, the prize was worth the cost. The Communists had been defeated and Greece had been saved for the Empire.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The British themselves were puzzled by the ELAS failure to press home their advantage in the early days of the fighting, putting it down variously to military incompetence or a defect in the Greek national character. In fact, the Communists were still operating within the parameters of Popular Front politics that required a compromise with the British rather than their defeat. Moreover, it was clear that Stalin was backing Churchill in the struggle. Throughout the fighting, Soviet representative Colonel Popov remained in the British Embassy and on friendly terms with Macmillan, Alexander, and company, even appearing in public with them. He was also present in Churchill's party when he met the EAM representatives who, according to one British diplomat, could not look him in the face. KKE attempts to explain the situation to the Russians were decisively rebuffed when Politburo member Petros Rousos was ignominiously expelled from Bulgaria without even a hearing. But the decisive blow came on December 30 when Stalin appointed an ambassador to the Greek Government, while ELAS was fighting for its life in the streets of Athens. While there were protests against British conduct in both Britain and America, the Russians remained silent. Stalin, for the moment, honored his deal with Churchill, sacrificing the Greek Communists and the Greek Left in a breathtaking display of realpolitik.[16]

Aftermath

On February 12, 1945 the EAM leadership concluded the humiliating Varkiza Agreement with the British, agreeing to disband ELAS in return for what proved to be empty promises of amnesty, civil liberties, and democracy. The outcome was a "White Terror" with some twenty thousand EAM members arrested and another five hundred killed by right-wing death squads between February and July 1945. The election of a Labour Government in Britain in July was welcomed by the Greek Left as offering the prospect of some relief from the repression. This was not to be. As far as foreign policy was concerned, the Labour Government continued Churchill's policy with at best a change of rhetoric.[17] This repression was to provoke the Communists into armed resistance in 1946, but under considerably less favorable circumstances than had existed in the closing months of 1944. The bitter civil war that continued until 1949 saw the Greek Left decisively crushed, with the price paid in the blood and suffering of the Greek working class and rural poor.

NOTES

1. For Greek Communism and the Greek resistance, see in particular John Hondros, *Occupation and Resistance: The Greek Agony 1941-1944* (New York: 1983).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

2. For Nazi reprisals, see Mark Mazower, *Inside Hitler's Greece* (New Haven: 1993), pp. 155-234.
3. Pierson Dixon, a senior British Foreign Office official, described Greece as Britain's "most difficult satellite": Pierson Dixon, *Double Diploma* (London: 1968), p. 245.
4. Victor Rothwell, *Britain and the Cold War 1941-1947* (London: 1982), p. 200.
5. For Churchill's account of the deal, see Winston Churchill, *The Second World War: Triumph and Tragedy* (London: 1951), p. 198. For Stalin's policy, see P.J. Stavrakis, *Moscow and Greek Communism 1944-1949* (Ithaca: 1989).
6. Rothwell, *Britain and the Cold War 1941-1947*, p. 219.
7. W. Byford-Jones, *The Greek Trilogy* (London: 1950), p. 77-78.
8. Martin Gilbert, *Winston S. Churchill: Road to Victory 1941-1945* (London: 1986), pp. 1085-1086.
9. Henry Maule, *Scobie: Hero of Greece* (London: 1975), p. 126.
10. Harold Macmillan, *War Diaries: The Mediterranean 1943-1945* (London: 1984), pp. 602-603.
11. Maule, *Scobie*, p. 155.
12. Harold Macmillan, *The Blast of War* (London: 1964), p. 614.
13. Gilbert, *Winston S. Churchill*, p. 1096.
14. Dixon, *Double Diploma*, p. 125.
15. For British atrocity allegations against ELAS, see Heinz Richter, *British Intervention in Greece: From Varkiza to Civil War* (London: 1985), pp. 27-29. As well as settling scores with collaborators, the Communists also took the opportunity to eliminate Greek Trotskyists, a vendetta that transcended any other considerations. The British did not object to this, of course.
16. Stavrakis, *Moscow and Greek Communism 1944-1949*, pp. 38-39.
17. For the Labour Government's policy, see T.D. Sfikas, *The British Labour Government and the Greek Civil War 1945-1949* (Keele: 1994), p. 62.

Paul Burkett's review of Jim O'Connor's *Natural Causes*, in the February issue of MR (vol. 50, no. 9), contained several errors. We sincerely apologize, and want to inform readers that the correct text of the article appears on our website (www.peacenet.org/MonthlyReview). The errors are as follows:

p. 48, line 11: "refutatory system" should be "regulatory systems."
p. 49, line 4: "nature's value" should be "nature's use value."
p. 50, eleventh line from bottom: "costs of capitalism" should be "costs of capital."
p. 51, line 11 of first paragraph: "concern" should be "concerns."
p. 51, line 12: "can, but must, be" should be "can but must be" (no commas).
p. 51, first paragraph: "environmental impact" should be "environmental impacts."
p. 51, eighth line from bottom: "the new form of accumulation" should be "to the new form of regulation."
p. 52, line 3: comma at the end of sentence should be a period.
p. 52, fifth line: "explicative" should be "exploitative."
p. 52, lines 9-10: "costs on to the capitals" should be "costs on other capitals."
p. 54, line 7: "of green capitalism" should be "of a green capitalism."
p. 54, ninth line from bottom: "mainstays of life" should be "means of life."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BOOKS

The Evolution of Law

by Howard Sherman

Anthony Chase, *Law and History: The Evolution of the American Legal System* (New York: The New Press, 1997), 219 pp., $15.95, paper.

Chase's book begins with a careful discussion of the Marxist theory of history and its relationship to law. Social change from one mode of production to another, or a major change within one mode of production, will be reflected in the law. But the laws also have an obvious effect on the class relations of production, locking them into place until the law is changed.

Chase points to the struggle within the legal system and the tensions within it as institutions change. He says, "It is the legal system's constant efforts both to remain consistent with the past and to reflect the dominant interests of the present ... which lies at the heart of the legal system" (p. 45). By being consistent with the past, Chase points out, lawyers and judges often portray what they are saying as merely a repetition of old rules in slightly new situations, even when they are actually changing the law drastically. When the law is no longer consistent with the interests of the dominant class, it must change by reform or by revolution. But courts often pretend that the new law is the same as the old to preserve a facade of continuity. Chase puts it very clearly: "Law is changed either overtly by statute or by courts openly adapting 'social policy' justifications or covertly as when a court radically changes legal results but does so by more or less artfully reinterpreting existing precedent" (p. 48).

Having shown the dynamics of legal evolution in general, in his second chapter Chase identifies four periods of American law, corresponding to four periods in the development of U.S. capitalism. The first

Howard Sherman is Professor Emeritus of Economics at the University of California, Riverside, and has a Jur.D. in Law as well as the Ph.D. in Economics.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

period was the pre-capitalist period, before the market institutions of capitalism were well developed in the United States. It lasted from the founding of the British colonies in the present borders of the United States until the early nineteenth century. In that period, besides slavery in the South, there were millions of small independent farmers who were neither capitalists nor wage workers. Chase calls the second period simply "capitalism" and dates it from the early nineteenth century to the 1930s. The third period is called "state capitalism," and lasted only briefly, from the 1930s to the 1970s. State capitalism was characterized by the enormous role played by the nation-state in economic life, both for welfare and for warfare. Finally, from the 1970s to the present, comes a period Chase calls "global capitalism." This period witnesses a relative decline in the powers of individual nations and a rise in power of multinational corporations and global agencies. One can argue with any set of stages, but these classifications do catch some of the main features of different economic periods—though perhaps the second stage might be divided between pre-monopoly capitalism and monopoly capitalism.

Most of the lengthy chapters two and three are devoted to the analysis of the transition from stage one (pre-capitalism) to stage two (capitalism). According to Chase, "The history of commercial and civil law in the West is in large measure the history of the progressive adaptation of the usages of an agrarian, community-centered, tradition-bound society to the requirements of an industrial, individualistic, and rational—hence mobile—capitalism" (p. 82). In other words, what was rational for a backwoods society is not rational for a modern industrial society. Chase does a wonderful job of detailing this history in a clear and sometimes humorous style, using individual cases to illustrate the evolution.

In contract law, he shows that in the early period of pre-capitalist structure, what counted to courts—particularly equity courts, which people often appealed—was a "just price," or a fair price by community standards. What counted in later contract law was simply the market price as set by supply and demand, whether or not it was fair or just.

Chase illustrates how, in Massachusetts, the enormous economic shift from the early colonial period to the late-eighteenth- century beginnings of capitalism "was papered over by the relative continuity of legal forms" (p. 89). But the process of change took a long time. As late as 1822, the equity courts would not enforce a contract with an "unfair" price, though the doctrine changed radically to market price soon thereafter. That change happened when the emergent capitalist exchange relations became dominant (p. 105).

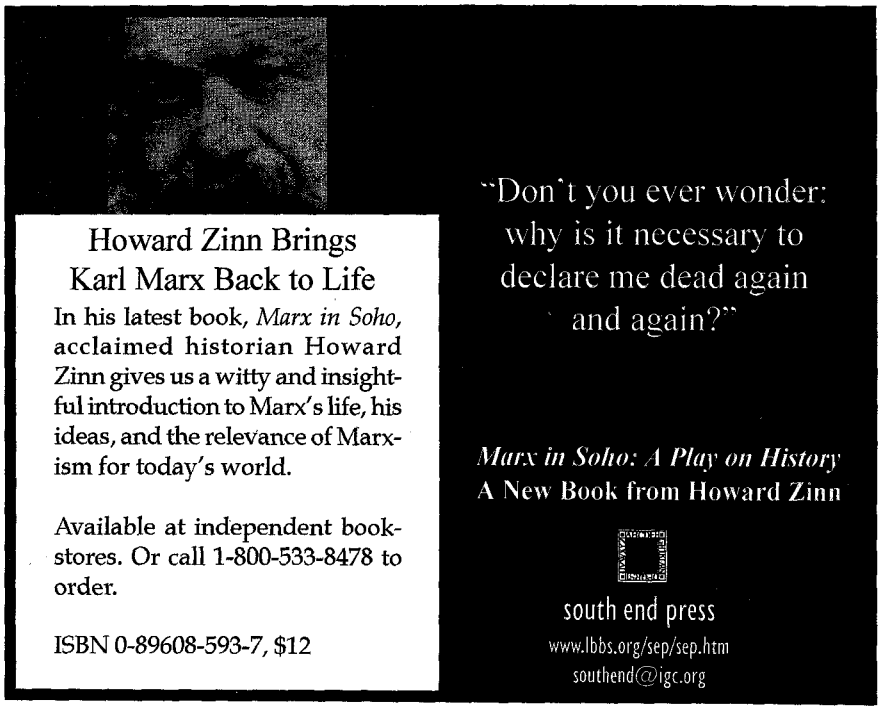
Chapter four shows briefly the transitions to the two latest periods of capitalism and of U.S. law. By the 1930s, the classical legal system of capitalism gave way (during the Great Depression and the New Deal) to state capitalism. State capitalism increased welfare spending and fiscal intervention in the 1930s and did vast amounts of military spending beginning with the Second World War in the 1940s. The law changed accordingly to protect

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the rights of individuals to certain types of welfare, and to allow vast amounts of welfare to flow to corporations, in the form of tax breaks, subsidies, and lush military contracts.

"The state capitalist approach to handling economic crisis itself lasted only a few decades and never threatened to exceed the boundaries of capitalist social relations" (p. 162). After state capitalism came global capitalism, our present stage. In this stage, the law protects the rights and prerogatives of multinational firms. Laws had to be designed for an Internet that is global and for firms whose operations are primarily overseas. Corporations are able to play nations against each other and decide where it is least expensive to pay taxes.

Chase's writing style is clear and concise, but the book will look a little strange to those not used to legal briefs. There are footnotes to every point, and often a large number on each page. Moreover, the footnotes are all on the same page with the text. So sometimes there is only a small amount of text and several footnotes. If one reads the book without looking at the footnotes, it reads easily and pleasantly. (One can then go back and find the exact evidence for any point that one marked.) This is an extremely useful and fascinating book for anyone interested in law and history.


Howard Zinn Brings
Karl Marx Back to Life
In his latest book, Marx in Soho, acclaimed historian Howard Zinn gives us a witty and insightful introduction to Marx's life, his ideas, and the relevance of Marxism for today's world.
Available at independent bookstores. Or call 1-800-533-8478 to order.
ISBN 0-89608-593-7, $12
"Don't you ever wonder: why is it necessary to declare me dead again and again?"
Marx in Soho: A Play on History
A New Book from Howard Zinn
south end press
www.lbbs.org/sep/sep.htm
southend@igc.org

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Different from the United States: Lucky Canada

by Lukin Robinson

In the Shadow of Empire: Canada for Americans, by Joseph K. Roberts (New York: Monthly Review Press, 1998).

The title is doubled-edged, no doubt deliberately so. The book's purpose is to explain Canada to Americans. Its theme is that the United States owns more of Canada and dominates more of what it doesn't own than it does of any other country. Nevertheless, there are important differences between us. Canada is not, as all too many Americans seem to think, merely a northern extension of the United States. The differences as well as the similarities form the subject of the book.

Roberts was born in the United States. He came to Canada in the 1960s and has taught at the University of Regina in Saskatchewan for more than thirty years. He writes as a committed socialist with a wide and critical knowledge of his adopted country. American readers will find his book a mine of information about a country which they mostly (and mistakenly) take for granted but which, for all its similarities, has many important differences from the United States. It will tell Canadian readers a great deal, some of which they may already know but perhaps have forgotten. More importantly, because of its many comments and interpretations, the book should prompt reflection and debate.

In population, income and wealth, Canada is about one-tenth the size of the United States. In living standards, we are quite similar, with the Canadian average about 20 percent below the United States, but with less inequality. We have been a so-called "middle power" for more than fifty years, are once again on the UN Security Council, and have been a member of the G7 club from the beginning. However, the geography of the population is entirely different.

There are over 3,000 miles between St. Johns, Newfoundland, and Vancouver, and a 4½ hour time difference. Most Canadians live within one hundred miles of the fabled world's longest undefended border, between

Lukin Robinson is a longtime trade unionist in Ontario.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Canada and the United States. The country thus consists of a narrow population band stretching across the continent. To the north and up to the Arctic lie vast, thinly populated expanses of land, lakes and rivers rich in resources. Canada's economic history consists largely of finding and exploiting these resources, first for the benefit of the British Empire and later of the United States, but always with the labor of Canadian and immigrant workers.

Instead of the fifty states which the federal government faces in the United States, Canada has ten provinces, with two of them—Ontario and Quebec—accounting for 60 percent of the population. Originally established as a strongly centralized federation, disputes with the provinces as well as judicial interpretations of Canada's constitution—the British North America Act, passed by the British Parliament—gradually gave more power to the provinces. One consequence was that the poorer Maritime and, especially, the Prairie Provinces were hopelessly unable to cope with the Great Depression. Help from the federal government was haphazard and stingy. Canada had nothing like the New Deal. The few New Deal type measures belatedly adopted by the federal Tory government were later struck down by the courts, which in this respect imitated the U.S. Supreme Court. In the meantime, in 1935, the Tories were defeated and the new Liberal government was timid to the point of near paralysis. We had to wait until 1944 for unemployment insurance and the right to collective bargaining.

The war, followed by post-war demands for nationwide welfare and social security, reversed the decentralizing trend of the first seventy years of Confederation and led to Canada's comprehensive government-funded national health plan, as well as an old age security system to supplement the contributory national pension plan. More recently, with these gains under attack and an obsession with deficit reduction—known in financial circles as "fiscal probity"—the tide has turned again. Federal-provincial relations are also mixed up with the problem of Quebec.

24 percent of Canadians speak French as their mother tongue and another 7 percent speak it as their second language. There are French-speaking minorities in Ontario, Manitoba, and New Brunswick, where the Acadians are one-third of the population. But most French-speaking Canadians live in Quebec, where they are the overwhelming majority. They consider themselves a nation, which by any reasonable standard they are. But until the 1960s, English-speaking capital owned and ran Quebec's industry and finance. The provincial government and the Church kept the French-speaking majority more or less docile and submissive, although their rule was never as harsh as that of whites in the southern United States where, in all but a few states, blacks were a minority. After the Second World War, French-speaking capitalists began to establish themselves. With the asbestos strike in 1949, the Quebec labor movement also came of age and finally freed itself from Church domination. Both developments contributed significantly to the Quiet Revolution of the 1960s. The takeover of electric power companies by the newly elected Liberal government in Quebec was a decisive step. It again illustrated the prominent part the state has always played

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in the country's economic development. Until then, the power companies had been English-owned and had charged exorbitant rates.

The Quiet Revolution began a new stage in the historic demand by Quebec for greater powers from the federal government. The sovereigntists who founded the Parti Québécois (PQ) hoped the process would lead ultimately to separation and independence, while maintaining economic ties and the use of the Canadian dollar under an agreement of "sovereignty association." Quebec federalists on the other hand believe that equality can be achieved within Confederation. The rest of Canada resists even the relatively symbolic demand of recognition of Quebec as a distinct society, and absolutely refuses more power than is granted to the other provinces. As to "sovereignty association," the mere suggestion is anathema.

The argument is that all the provinces are equal—Prince Edward Island with only 135,000 people, Quebec with more than 7 million, and Ontario with more than 10 million! Any additional powers which the federal government may give to Quebec must therefore be given to all the other provinces. Satisfying the reasonable demands of the Quebec federalists thus weakens the federal government, a solution favored by business and the right. A majority of English-speaking Canadians, however, want a strong federal government and tend to be anti-Quebec, blaming it for the endless and inconclusive constitutional negotiations. Only a small minority, mostly on the left, understand the dilemma and advocate what is known as asymmetrical federalism, giving Quebec but not the other provinces the power it needs for national autonomy and self-expression but less than independence. The majority of French speaking Québécois apparently do not want sovereignty; they would prefer to remain in Canada.

Because the country's regions—British Columbia, the Prairies, Ontario, Quebec, and the Maritimes—are strongly marked, Canadian politics are more fragmented than in the United States, where different tendencies have usually fought it out within the Democratic and Republican parties. Canada has had a strong Social Democratic party since the 1930s. In its early years, as the Co-operative Commonwealth Federation (CCF), its support came mainly from western farmers. A CCF government was elected in Saskatchewan in 1944. During the next twenty years, it built an effective road network, created a provincial bus and airline service to serve remote communities, took over the privately owned electric power, gas, and telephone systems and made them into crown corporations, and introduced the first government funded hospitalization and later medical insurance in North America. Transformed into the New Democratic Party (NDP) in 1961, with the support of the labor movement, social democrats have governed Saskatchewan for most of the last thirty years and were elected in three other provinces as well. But their five years of office in Ontario from 1990-1995 were dismal. They ran third in the 1995 election and were replaced by a right-wing Tory government.

Federally, the NDP's fortunes have been mixed. It has never got to be more than the third party in Parliament, and has at times been reduced to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

a corporal's guard. It has all the faults of social democratic parties elsewhere, moving steadily to the right. Its overriding aim is to win votes rather than to educate, to inspire and to work with the labor movement and popular groups. Last summer it decided that, in order to improve its electorial prospects, it should imitate Tony Blair's New Labour and be friendly to business. The media hailed this as a great step forward; the leaders of the Canadian Labour Congress and of the Canadian Auto Workers wondered why we needed yet another pro-business party.

The Liberals and the Tories have traditionally been the two great center parties, the Liberals occasionally somewhat to the left, the Tories, who renamed themselves Progressive-Conservatives in 1942, to the right. But the old Tory party, having been wiped out in the 1993 election, is in disarray; the Tory governments of Alberta and Ontario are thoroughly right-wing. In addition, the even more right-wing Reform party pretty well swept the four western provinces in the 1993 election (and again in 1997), taking hundreds of thousands of votes both from the Tories and the NDP. The NDP's losses showed how far its supporters had lost faith in it as a genuine alternative. At the same time, the Bloc Québécois, in effect a federal offshoot of the provincial Parti Québécois (PQ), pretty well swept Quebec. It is in the odd position of sitting in the federal Parliament (for four years as the official opposition!) as a party whose declared aim is to break up the country and establish an independent Quebec. On all other matters it is much closer to the NDP than to the Liberals who, facing a divided opposition, can be more or less as far to the right as they please, while still managing to retain the support of the largest number of Canadian voters.

Finally, there is Canada's relation to the United States: 80 percent of our exports go there and 75 percent of our imports come from there. Both percentages are higher than they used to be. We have a huge trade surplus with the United States but a deficit, just as the United States has, with the rest of the world. We are ahead of Japan as the leading trade partner of the United States by over $100 billion a year. The supporters of the Free Trade Agreement and later of NAFTA point to these facts and our increased access to the U.S. market which they represent as the great advantage of these agreements. But it is no advantage to have 30 percent (and rising) of the country's GDP, plus another 5 percent if services are added, depend on exports to one domineering neighbor. It is no advantage either that 35-50 percent of our exports consist of food, oil, natural gas, and raw materials, all of whose prices fluctuate wildly and right now are way down.

The United States is also by far the largest foreign investor in Canada. Thirty years ago, when the figures were at their peak, U.S. corporations owned or controlled 45 percent of Canadian manufacturing, and more than 60 percent of the petroleum and natural gas and of the mining and smelting industries. Ten years ago, these percentages were down to about 30 percent and 20 percent, but have since risen to about 35 percent and 25 percent, without apparently raising the degree of U.S. control. Meanwhile, Canadian

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

direct investment in the United States has gone up, so that the net balance is relatively now only a fraction of what it used to be.

However, if the grip of direct investment is less, the grip of portfolio investment is greater. U.S. holdings of stocks and bonds have zoomed, especially of federal and provincial government bonds, and these holdings are now a significantly larger presence in Canadian financial markets than they used to be. Capital from other countries has also poured in, so that the U.S. share of foreign investment in Canada, which used to be 80 percent of the total, is now down to 55 percent. Canada is now fully integrated with and dependent on the caprices of world finance. Like the United States, it needs a constant inflow of foreign capital to balance its international accounts. That is why, again like the United States, our net foreign liabilities keep on rising and why all, and usually more than all, of our growing trade surplus with the United States goes to pay interest and dividends to foreign investors. But of course we do not have the U.S. clout to deal with a mounting foreign debt the way they do, which is to ignore it. From necessity, as Roberts emphasizes, but also from ideological conviction, the federal government, whether Liberal or Tory, has made itself the willing instrument of international capital and is committed to what are dubbed neo-liberal policies. (If *neo* is all that separates genuine liberalism from gung-ho reaction, it is not surprising that people unfamiliar with the changing fashions in left- or right-wing academic writing are confused).

U.S. influence on most aspects of Canadian life is overwhelming. Even so, I think it is a mistake to describe Canada as a colony. We were a colony of England but we are not, in the proper meaning of the word, a colony of the United States. Nor do we belong to the Third World; instead Canadian capitalists have imperialist (or sub-imperialist) interests of their own in the Caribbean as well as growing investments in the United States and elsewhere. We are, in more ways than are good for us, more like than unlike the United States. Toronto is more like Buffalo and Vancouver more like Seattle than either of them is like New Delhi, Jakarta, or Nairobi. If we are at the same time a separate country and wish to remain so, this is partly an accident of history. It is also in defiance of geography. The will to sustain this defiance derives from and is expressed in the many ways (political, social and cultural) in which we consciously and deliberately differ from the United States. In light of current history, lucky us!

Additionally, many Americans must wish that their country would emulate Canada's attitude to Cuba, with which we have an active trading relationship. The government provides aid and technical cooperation, tourists go in droves, private investment is growing and the prime minster, following Trudeau's example in 1976, visited Cuba last year. Under the Helms Burton law, executive officers of Canadian companies doing business with Cuba are barred from entry into the United States. Sherritt Gordon, a leading Canadian mining company, has a large joint venture in Cuba, with the result that its president and other officials cannot go to the United States. The fact that they prefer to do business in Cuba than to be allowed

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

into the citadel and champion of world capitalism illustrates our ambivalence to our southern neighbor. Although living in the shadow of empire, we are not always or only a doormat. Canada's active support of China's admission to the UN against the wishes of the United States, and Lester Pearson's 1965 speech in Philadelphia calling for a halt to the U.S. bombing of Vietnam, which aroused President Johnson to fury, are earlier examples.

Roberts' book deals with these and many lesser themes. It covers a great deal of ground, and some of the many references to people and events are likely to be unfamiliar to American readers. The chapter "On Canada's History, from Colony to Colony," goes back to the earliest days of discovery and settlement, and takes the reader up to the present. One of the differences between the two countries is that the United States was created by a revolution, whereas many Canadians of two hundred years ago came north as United Empire Loyalists fleeing the revolution; their descendants ensured that Canada remained a British colony and later a Dominion. After the First World War, the United States became our *de facto* imperial master. The chapter "The Making of a Rich Dependency" describes this latter process and some of the ways in which we have resisted complete absorption and have instead sought to affirm some degree of independence.

The chapter on Quebec's quest for nationhood is especially good. The more the French speaking people of Quebec have asserted their will to be different, the more stubbornly many English speaking Canadians have been inclined to repeat the myth that Quebec is a province just like the others. All too few Canadians share Roberts' understanding of the question, in particular of the class changes in Quebec and the way in which they contributed to the nationalist upsurge in the 1960s and since. Most of Quebec's trade union leaders are separatists whereas most Quebec business, having rid itself of the yoke of English domination and exclusion, remains pro-federalist.

Roberts' chapter on the NDP is also very good. He recounts the achievements of the CCF government elected in Saskatchewan in 1944, which showed what can be done by an energetic social democratic administration with organized and not unwelcome popular support, and contrasts this record with the decline of the CCF and NDP since. The CCF dedicated itself wholeheartedly and with vitriol to the cold war. CCF led unions were enthusiastic raiders and also cooperated with employers and governments in trying to destroy the so-called "Communist dominated" unions; the Canadian Seamen's Union was an early victim. Under Bob Rae in Ontario and Allan Blakeney and now Roy Romanow in Saskatchewan, labor and other popular groups whose vote the NDP must have in order to be elected were shunned as "special interest groups" and at times treated as if they were enemies. What has happened in Canada is of a piece with experience abroad. But the victories of New Labour in England, of the socialists in France and the left coalition in Germany were less due to Blair, Jospin and Schroeder having veered to the right than because the voters were sick and tired of the havoc caused by unbridled capitalism. Roberts' final chapter on the search "For a Deeper Democracy" draws the appropriate conclusion.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(Continued from inside back cover)

violations of strongly held moral principles. Practices that today are considered the normal and legitimate way of doing business have, in other value systems, been treated as deeply immoral.

In fact, the history of capitalist development has been punctuated by conflicts between old moralities and the new ethics of the capitalist market. For instance, in seventeenth and eighteenth century England, capitalists, urban and rural, in an increasingly competitive environment, resorted to various practices that would augment their profits, such as "lease-mongering," that is, buying up leases from poor tenants, then subletting to them at higher rents, and evicting them for non-payment; "forestalling" and "regrating," buying up specific commodities in order to corner the market and sell at higher prices, and so on. These practices were much resisted, and struggles against exploitation could take the form of contesting the principles on which they were based, principles that were still regarded as alien and morally wrong. (Readers interested in pursuing this history can read E. P. Thompson's wonderful book, *Customs in Common*, where he develops his much-debated concept of the "moral economy of the crowd.")

But today, analogous principles and practices are the lawful and legitimate stuff of everyday capitalist life. There are, in fact, few normal transactions of capitalism, whether in the class relations between capital and labor or in the daily competitive relations among capitalists (not to mention the often hair-raising but perfectly legal operations of financial speculators or, for that matter, banks), that aren't a violation of some historic moral principle, or even a principle that may still linger on in some parts of the world.

Capitalism may have made us aware of "corruption," but it has rendered practically invisible a much wider range of repugnant behavior, practices far more harmful to living human beings and the natural environment than crossing the palms of Olympics officials. It's not that we should condone "corruption" like that of the Olympics scandal, but neither should we be much impressed by all the moral outrage. When moral indignation at the normal practices of capitalism becomes widespread, that's the day we'll have something to cheer about.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(Continued from inside front cover)

Officials taking kickbacks or rake-offs for facilitating business transactions is a practice no doubt as old as human history or, at least, as old as trade and commerce. You could even say that practices we now call corrupt have throughout much of human history been the normal and legitimate way of doing business, even the normal and legitimate way of conducting the affairs of state. Even functions we now regard as the exclusive public business of the state —in particular, the collection of tax revenues—were typically a kind of private enterprise. In early modern Europe, for instance, the job of collecting taxes was often "farmed" out to individuals whose payment for the job came not from official state salaries but from raking off a share of the revenues. People could, and regularly did, even buy state offices, openly and unashamedly. The state apparatus of European absolutism couldn't have functioned without practices which, in hindsight, we might call corrupt.

Now the odd thing is that the decline of such practices—at least as openly acknowledged and legitimate—seems to coincide with the rise of capitalism. It seems to correspond to the particular division between economic and political spheres specific to capitalism. In pre-capitalist societies, it was harder to distinguish the public functions of the state from private appropriation. A feudal lord or a state official would, and was expected to, use his political, judicial, and military powers not only to perform necessary "public" functions—whether the conduct of war or the adjudication of legal disputes—but also to line his own pockets. That was a normal way of appropriating surpluses from direct producers, especially from peasants.

The idea of corruption as we now understand it presupposes a clearer distinction between the "political" and the "economic," the "public" and the "private." These distinctions have become more sharply defined (at least in some respects) with the development of capitalism and its purely "economic" mode of appropriation. Capitalists, unlike feudal lords or absolutist officials, don't appropriate surpluses by directly exercising some kind of official or public power. They accumulate profits through the mechanisms of the market, and they exploit workers who are forced to sell their labor-power for a wage not because of political or military coercion but because of their own propertylessness. The other side of the coin is that the conduct of public business is supposed to be separate from the process of private appropriation.

So in a sense, the concept of corruption as we know it is a product of capitalism. It's capitalism that has effectively outlawed practices which have in other eras been treated as normal and legitimate. Does this mean that capitalism has refined our moral sensibilities?

The history that delegitimized and even criminalized certain kinds of traditional practices, labeling them as corrupt, was the very same history that legitimated other practices which in other times have been

(Continued on page 64)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

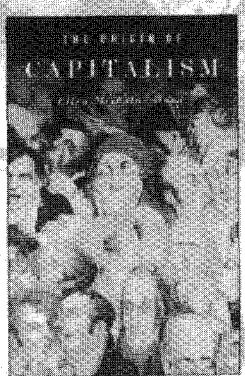
How did capitalism come to be?

THE ORIGIN OF

CAPITALISM

Ellen Meiksins Wood

Few questions of history have as many contemporary political implications.



"In most accounts of capitalism and its origin, there really *is* no origin. Capitalism seems always to *be* there, somewhere, and it only needs to be released from its chains—for instance, from the fetters of feudalism—to be allowed to grow and mature."
—from the Introduction

In this incisive study, Ellen Meiksins Wood challenges most existing accounts of capitalism's origin, arguing that they fail to recognize its distinctive attributes as a social system, making its emergence seem natural and inevitable.

Wood begins with searching assessments of classical thinkers ranging from Adam Smith to Max Weber. She then explores the great Marxist debates among writers such as Paul M. Sweezy, Maurice Dobb, Robert Brenner, Perry Anderson, and E.P. Thompson. She concludes with her own account of capitalism's agrarian origin, challenging the association of capitalism with cities, the identification of "capitalist" with "bourgeois," and conceptions of modernity and postmodernity derived from those assumptions.

Only with a proper understanding of capitalism's beginning, Wood concludes, can we imagine the possibility of it ending.

$13.00 paper | *$30.00 cloth* | *135 pp*

MONTHLY REVIEW PRESS | 1•800•670•9499

122 West 27th Street • New York, NY • 10001 • Tel: (212) 691-2555

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED